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Publications of the
Carnegie Endowment for International Peace
Division of International Law
Washington

TREATIES AND AGREEMENTS

WITH AND CONCERNING

CHINA

1894-1919

RUSSIAN EMPIRE
TRANSBAIKALIA
AMUR PROVINCE
HEI-LUNG-CHIANG
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LIUCHIU ISLANDS
Existing Railway
Proposed
UNITED STATES DEP'T OF COMMERCE
BUREAU OF FOREIGN & DOMESTIC COMMERCE
RAILWAY MAP OF CHINA
PEKING, OCT. 1918
PAUL P. WHITHAM
CONSULTING ENGINEER
TRADE COMMISSIONER
Longitude East from Greenwich

TREATIES AND AGREEMENTS

WITH AND CONCERNING

CHINA

1894–1919

A collection of state papers, private agreements, and other documents, in reference to the rights and obligations of the Chinese Government in relation to foreign powers, and in reference to the interrelation of those powers in respect to China, during the period from the Sino-Japanese War to the conclusion of the World War of 1914–1919

COMPILED AND EDITED BY

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VOLUME I

MANCHU PERIOD (1894-1911)

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TO THE MEMORY OF MY FORMER CHIEF

THE LATE

WILLIAM WOODVILLE ROCKHILL

WHOSE WORK THESE VOLUMES ARE
MEANT TO CARRY ON

INTRODUCTORY NOTE.

Approximately sixteen years ago—to be accurate, in 1904—the Honorable William Woodville Rockhill, an American diplomat of large experience, issued a volume of *Treaties and Conventions with or concerning China and Korea, 1894–1904, together with various State Papers and Documents affecting Foreign Interests.* The collection was official in its nature, and it was official in its publication, in that it was set up by the Government Printing Office, and appeared as a public document. It would therefore have been in keeping with precedent if Mr. John V. A. MacMurray, a younger diplomat but already of large experience, had issued as a public document, his collection of *Treaties and Agreements with and concerning China, 1894–1919,* which he has industriously brought together and intelligently edited. The Department of State, however, was unable to issue Mr. MacMurray's collection as a public document, owing to the many demands upon it; hence the Carnegie Endowment for International Peace has the good fortune to render this public service through its Division of International Law.

It will be observed that Mr. MacMurray's collection is not a supplement to Mr. Rockhill's volume. It covers the same field for a decade; but it covers it, as was to be expected, more fully and completely, in that additional documents are included, which were not at Mr. Rockhill's disposal, and which then did not seem to possess the importance which they now have. Mr. Rockhill's collection is therefore merged in Mr. MacMurray's, and it is enlarged and enriched in the process. From 1904 to the end of the World War in 1919, Mr. MacMurray blazes his own trail and does not tread in the path of a predecessor.

These two stately volumes, which no student of the Far East can afford to overlook for many a year to come, are a labor of love. They are the free offering to the public on the part of Mr. MacMurray, who has given to the Carnegie Endowment his manuscript without any compensation other than the reward that sometimes comes from a good deed. And it is proper to mention in the same connection, that they are issued by the Endowment in the same spirit, inasmuch as many copies will be placed in public libraries, and the copies which are not so placed, but are purchased in ordinary course, can never be expected to make good the original outlay.

It is a source of pleasure to the good people of these United States, that the policy of their government has invariably been one of sympathetic interest in and toward the Far East, and that it has never sought to make of the needs and distress of the peoples of Japan and China, a source of profit. It is worth while recalling that as a consequence of the Boxer troubles an indemnity equivalent in round numbers to $333,000,000 United States gold was exacted from China under the Protocol of September 7, 1901, which sum was to be paid with interest at 4 per cent per annum, by installments running through a period of thirty-nine

years. The sum of $24,440,778.81 was allotted to the United States. But as this sum was found to exceed the actual losses to American interests and property, the amount in excess of $11,961,121.76 was remitted by the Government of the United States. It was felt that the sum originally allotted might exceed American claims, but it was feared that if the United States should refuse to accept it, it would not be credited to China, but would be apportioned among the other Powers. In communicating the intention of the United States to remit the payment of the balance of the sums to which the United States was entitled under the agreement of 1901, Mr. Elihu Root, then Secretary of State, said in his note of June 15, 1907, addressed to the Chinese Minister in Washington:

> It was from the first the intention of this Government at the proper time, when all claims should have been presented and all expenses should have been ascertained as fully as possible, to revise the estimate and account against which these payments were to be made, and, as proof of sincere friendship for China, to voluntarily release that country from its legal liability for all payments in excess of the sum which should prove to be necessary for actual indemnity to the United States and its citizens.[1]

The remission was gratefully accepted by the Chinese Government, on behalf of which the Prince of Ch'ing, President of the Chinese Foreign Office, said in a note dated July 14, 1908, to the Honorable William Woodville Rockhill, then American Minister to China:

> The Imperial Government, wishing to give expression to the high value it places on the friendship of the United States, finds in its present action a favorable opportunity for doing so. Mindful of the desire recently expressed by the President of the United States to promote the coming of Chinese students to the United States to take courses in the schools and higher educational institutions of the country, and convinced by the happy results of past experience of the great value to China of education in American schools, the Imperial Government has the honor to state that it is its intention to send henceforth yearly to the United States a considerable number of students there to receive their education.[2]

This is not an isolated case. Many years before, in 1863, the Strait of Shimonoseki, improperly closed to commerce, was opened by the joint action of France, Great Britain, Holland and the United States. An indemnity, amounting to $3,000,000, was exacted from Japan, which was paid, as the late General Foster says in his admirable little volume entitled *American Diplomacy in the Orient*, "after some delay and great embarrassment, because of the poverty of the treasury."[3] Each participating nation received an equal share. The action of the United States and the action of the other Powers is thus stated by General Foster:[3]

> The sum paid to the United States remained in the treasury unused for twenty years. The public conscience was troubled as to the justness of the exaction, and in 1883 by an act of Congress the amount received was returned to Japan, and accepted by that government "as a strong manifesta-

[1] *Foreign Relations of the United States*, 1907, pt. 1, p. 174.
[2] *Ibid.*, 1908, p. 68.
[3] John W. Foster, *American Diplomacy in the Orient* (1903), p. 194.

tion of that spirit of justice and equity which has always animated the United States in its relations with Japan." None of the other three nations partaking of the indemnity have seen fit to follow this example.

It is also to be said that none of the Powers partaking of the Chinese indemnity—France, Germany, Great Britain, Japan and Russia—"have seen fit to follow this example."

Other illustrations might be given of the policy of the United States toward the peoples of the Far East. They will be found, however, in Mr. MacMurray's two volumes. It is therefore sufficient to remark in this place that the United States has invariably framed its policy in such a way that it should be just to China—to speak specifically of this one country,—that the policy of China should be just to the United States, and that the door of opportunity should be open to the United States and to all other countries upon a footing of equality.

It is a pleasure to publish Mr. MacMurray's volumes, and none the less a pleasure because they are the work of a former student and a constant friend.

JAMES BROWN SCOTT,
Director of the Division of International Law.

WASHINGTON, D. C.,
January 8, 1921.

EDITOR'S PREFACE.

THE present compilation of documents relating to the affairs of China, as involving foreign interests, during the period beginning with the Sino-Japanese War of 1894-95, is an outgrowth of the collection edited by the late Mr. William Woodville Rockhill under the title "Treaties and Conventions with or concerning China and Korea, 1894-1904, together with various State Papers and Documents affecting Foreign Interests" (Washington: Government Printing Office, 1904).

The underlying principle of Mr. Rockhill's collection was his appreciation of the fact that, with the Japanese War, China entered upon a new course of national development, the history of which is to be read not only—nor even primarily—in the Treaties and other formal international engagements, but rather in the arrangements of nominally private character, with syndicates or firms of foreign nationality, under which the Chinese Government then began to incur a complex and far-reaching set of obligations and commitments, in which the financial or economic element is often merged indistinguishably with political considerations.

Up to that time, the whole purpose of Chinese statesmanship, in relation to the outer world, had been to maintain the traditional isolation of the country; and against that aloofness, the foreign nations had struggled to establish the right of free intercourse. The results of that struggle, as embodied in the earlier Treaties, may be roughly summarized under three headings, namely:—Extraterritoriality, or the right of foreigners to be exempt from the processes of Chinese law and amenable only to the jurisdiction of their national tribunals; the right of residence in designated places, and of access to the interior of the country; and the right to trade freely, unhampered by monopolies, subject to a fixed tariff of import and export duties, and with the privilege of commuting by a single fixed charge all local taxes and levies upon commerce. These rights were essential, and even to-day are fundamental to the whole system of foreign intercourse with China; but they were and are, from the view-point of the development of the nation, rather negative than positive.

The conditions—particularly the financial requirements—incidental to the war with Japan compelled a readjustment of China's attitude towards foreign nations and towards their resources and their influences. The Chinese nation found itself perforce face to face with the world, and under the necessity of accommodating itself to a relationship with it. Thenceforward, the problem of China was to avail itself of the material resources and experience of the West, while retaining what was vital in its own institutions and preserving as best it could not merely the integrity of its territories, but its political and national entity. How clearly this problem of assimilating the new conditions to the old

and of adapting the old ideas to the new has been realized by those responsible for the destinies of the country—how wisely, how courageously, and how disinterestedly they have acted in seeking solutions of the problem—how well and how loyally they have been served by the various foreign interests to which they have from time to time turned for assistance and cooperation,—those are speculations in regard to which some indications may be found in the data here gathered together, but for which no categorical answers are possible. There have been times of progress and of reaction; there has been confusion of purposes; there has been blind Utopianism, and bitter disillusionment: but the process of association of foreign with Chinese interests has gone on almost without interruption or pause, China repeatedly seeking foreign assistance in the solution of its problems of industrial, economic and administrative development, and giving in return rights that carried with them in many instances at least an implication of political interest.

This process has been marked by certain critical events which have in turn initiated new phases of development:—first, the rapprochement with Russia, immediately prompted by the apprehensions arising out of China's defeat at the hands of Japan; then the Battle of Concessions, in 1898, originating with Germany's exaction of the lease of the Kiaochow Territory; thereupon, the abortive reaction that found expression in the Boxer movement of 1900, irresolutely abetted and restrained by the Manchu Court; the succeeding period of reconstruction, when China sought to restore and stabilize normal relations with the Powers, and those Powers endeavored to establish among themselves an equilibrium based upon the mutual recognition of existing interests and upon the adoption of the principles of preservation of Chinese territorial and administrative integrity and maintenance of equality of commercial opportunity for all nationalities in China; then the defeat of Russia by Japan, in 1904-5, with the consequent transfer to the victor of a great share of both the material advantages and the political influence theretofore enjoyed by Russia; in 1911, the overthrow of the Manchu Dynasty, which brought with it an intensified preoccupation with questions of internal development, and which was the beginning of the period of unrest and civil dissension which continues to the present time; then the outbreak of the European War, in 1914, affecting China economically through the dislocation of foreign trade and the drying up of the European money markets to which it had hitherto looked for financial accommodation at need, and perhaps more profoundly affecting it politically through Japan's entering the war and taking military occupation of the Kiaochow Leased Territory and other German concessions in Shantung Province, and through the Treaties of May 25th, 1915; and lastly, the entry of China itself into the war, in August, 1917.

Throughout these phases of development, financial, economic and industrial concessions have been made the objects of international policies; such advantages have been sought by Governments,—both directly, in the form of general conventional stipulations, and indirectly, in the form of special grants to particular banks or industrial organizations,—through all the means available to one State in its intercourse with another; the holders of such concessions have often spoken with the voice of their Governments in insisting upon their own

construction of the rights granted to them; and such commitments to individuals of one nationality, even when left unutilized and allowed to lapse by the terms of the concession, have now and again been claimed as a basis of protest against a grant to the nationals of any other country. The result of this merging of individual with governmental interests has been that matters which would elsewhere be of merely commercial character, susceptible of judicial determination in case of dispute, are in China matters of international political concern, for the settlement of which the ultimate recourse is to diplomatic action. It is thus in a sense true that the international status of the Chinese Government is determined and conditioned by its business contracts with individual foreign firms or syndicates, scarcely if at all less than by its formal Treaties with other Governments. It is at any rate seldom that any international situation relating to China can be fully understood without reference to the intricate fabric of quasi-public as well as of public obligations which qualify the freedom of action of the Chinese Government.

The object of the present collection is to reproduce as fully and as faithfully as possible the available documents embodying that complex of interrelated rights and obligations. In compiling it, the Editor has drawn upon all sources at his disposal, and save for a few instances in which he has been debarred by obligations of official or of personal confidence, has included in it every available document that seemed to him to fall within the scope of the collection. He has considered it to be beyond his competence, as a compiler, to assume any judgment of the effect or of the validity of the various agreements, but for the sake of completeness has included in the collection documents which would appear to be void or voidable, or which have expired by their own limitations, or have been cancelled by other agreements, if they appeared to be of sufficient interest—whether of actual or potential practical interest, or merely historical interest—to warrant their reproduction.

Although an officer of the American Government, the Editor is, in respect to this compilation, acting wholly upon his personal responsibility, having obtained the permission of the Department of State to edit it independently, under a publication contract with the Carnegie Endowment for International Peace. He has exercised his own discretion in the selection of the documents to be included, and in all editorial questions such as the choice of texts to be adopted, the translations, and the explanatory notes that he has affixed to the various documents. It is therefore to be understood that there is neither actual nor implied responsibility, on the part of any branch of the Government of the United States, for either the substance or the editorial treatment of the present collection.

In the compilation of so great a bulk of material, gathered from many different sources, the Editor has incurred many obligations which he gratefully acknowledges. He is perhaps most deeply indebted to Mr. E. T. Williams, formerly Secretary of the American Legation in Peking, more recently Chief of the Division of Far Eastern Affairs of the Department of State, and now attached to the American Delegation to the Peace Conference, for constant assistance in obtaining texts and translations, and still more for his encourage-

ment and for his helpfulness in the various arrangements incidental to the publication of the book. He likewise owes much to the assistance and cooperation of his recent Chief, the Honorable Paul S. Reinsch, American Minister to China. It would be impossible to acknowledge in detail his obligations to those who have in one way or another assisted him to obtain texts for publication; but he takes pleasure in recording a particular debt of gratitude to Dr. G. E. Morrison, who spared no pains in making available to him the wealth of rare materials gathered in his library of the Far East. He is also much indebted to the assistance of Dr. C. C. Wang, chief compiler of the admirable collection of *Railway Loan Agreements of China,* who placed at his disposal not only the material published in that volume but also that which is being prepared for eventual publication in a separate volume dealing with Railway Agreements other than those involving loans; to Mr. W. H. Donald, Editor of the *Far Eastern Review,* who has given him access to a number of documents gathered for the editorial use of that magazine; to Mr. Igor Mitrophanow, Second Secretary of the Russian Legation in Peking, who very generously made for him a search of the Russian official and semi-official publications dealing with questions concerning China; and to Mr. Alexis Leger, of the French Legation in Peking, who was most helpful in looking up certain documents involving French interests, and obtaining the necessary permission for their publication.

In the matter of translations, he is under special obligations to Mr. Raymond P. Tenney, Assistant Chinese Secretary of the American Legation in Peking, for a great number of careful translations from Chinese; to Mr. Roger S. Greene, of the Rockefeller Medical Foundation, formerly American Consul at Harbin and Consul-General at Hankow, to Mr. G. A. Candlin, of the Russo-Asiatic Bank in Peking, and to Mr. Wilfred Stevens, of the Department of State, for a considerable number of translations from Russian; to Mr. Roger A. Burr, of the American Legation in Peking, for several translations from German; and to Mr. J. W. Ballantine, Japanese Secretary of the American Embassy in Tokyo, and to Mr. A. A. Williamson, American Consul at Dairen, for various translations from Japanese. He is also glad to acknowledge his indebtedness to Mr. W. J. Cannon, formerly of the American Legation at Peking, and to Mr. S. S. Young, of the Siems-Carey Company, who were of very great help to him in gathering and preparing the material for publication.

In conclusion, the Editor wishes to acknowledge to the Carnegie Endowment, and especially to its Secretary, Dr. Scott, his cordial sense of personal obligation for its generous readiness to cooperate in the furtherance of his plans. He is particularly grateful to the Endowment for undertaking to relieve him of the labor and responsibility of preparing an adequate index.

. . . . . .

Upon the conclusion of the Treaty of Peace between the Allied and Associated Powers and Germany, there will be added to this compilation a selection of such articles as appear to be of particular interest in relation to the affairs of China.

American Embassy, Tokyo, Japan,
April, 1919.

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LIST OF ABBREVIATIONS.

Am. Int. Law Journal.....*The American Journal of International Law,* published quarterly for the American Society of International Law.

B. and F. State Papers.....*British and Foreign State Papers.*

Bulletin of Laws.....Bulletin of Laws and Ordinances of the (Russian) Government (*Sobranie Uzakonenii i Rasporiajenii Pravitelstva*).

Charignon .....*Les chemins de fer chinois,* par A. J. H. Charignon (Pékin, 1914).

China, No. — (year).....British Parliamentary Papers on China, of number and year indicated.

Chung Hua Fa Kuei Ta Ch'uan.....*Compilation of the Laws of China,* together with a Collection of the Treaties with Foreign Countries (Shanghai, 1913). This compilation is not official.

Collins .....*Mineral Enterprise in China,* by William F. Collins (London, Heinemann, 1918).

Customs .....*Treaties, Conventions, etc., between China and Foreign States,* published by order of the Inspector General of Customs (second edition, Shanghai, 1917).

Doc. Dipl., Chine.....French Foreign Office Yellow Books on China.

F. E. Review.....*The Far Eastern Review,* published monthly at Shanghai.

For. Rel. .....*Foreign Relations of the United States,* published annually under the authority of the Secretary of State.

Izviestia .....Review of the (Russian) Ministry for Foreign Affairs (*Izviestia Ministerstva Inostrannuikh Diel*), bi-monthly publication of the Russian Foreign Office.

Hertslet .....*Hertslet's China Treaties: Treaties, etc., between Great Britain and China, and between China and Foreign Powers, etc.* (3rd edition, London, 1908).

Hsuan Tung Tiao Yueh.....*Treaties, Conventions, etc., between China and Foreign States: Hsuan Tung Period,* edited by C. P. Hu (Peking, 1913).

Kent .....*Railway Enterprise in China,* by Percy H. Kent (London, 1908).

Malloy .....*Treaties, Conventions, etc., between the United States and Other Powers, 1776-1909,* edited by William M. Malloy (Washington, Government Printing Office, 1909).

Official Documents .....*Official Documents relating to the War* (for the year 1917) (Peking, Ministry of Foreign Affairs, 1918).

Recueil .....*Recueil des Documents Diplomatiques concernant l'Extrême-Orient, 1894-1905,* published by the Russian Ministry for Foreign Affairs (St. Petersburg, 1905).

Rockhill .....*Treaties and Conventions with or concerning China and Korea, 1895-1904,* edited by W. W. Rockhill (Washington, Government Printing Office, 1904).

Shina Kankei Tokushu Joyaku Isan.....*Compilation of Special Treaties relating to China,* compiled by the Research Committee of the Society of Common Language of Eastern Asia (Tokyo, 1917).

Sobranie .....See *Bulletin of Laws.*

Soglashenia .....Agreements between Russia and China in regard to Railways, Posts and Telegraphs, and Customs (*Soglashenia mejdu Rossiei i Kitaem po Voprosam Jeliezno-dorojnuim, Pochtovo-telegrafnuim i Tamojennuim*), published by the Russian Ministry for Foreign Affairs as a Supplement to Volumes III and IV of the *Izviestia* (cited above) for 1916.

Traités et Conventions	*Traités et Conventions entre l'Empire du Japon et les Puissances Etrangères* (Ministère des Affaires Etrangères; Tokyo, Maruya & Co., publishers, 1908).
Tyau	*The Legal Obligations arising out of Treaty Relations between China and Other States,* by Min-ch'ien T. Z. Tyau, LL.D. (Shanghai, Commercial Press, 1917).
Wang	*Railway Loan Agreements of China,* compiled by Ching-Chun Wang, Ph.D., and Others (Privately printed by the Railway Association, Peking, 1916).
Year Book	*The China Year Book,* by H. G. W. Woodhead and H. T. Montague Bell (London, 1912, 1913, 1914, and 1916).

NUMBER 1894/1.

GREAT BRITAIN AND CHINA.

Convention giving effect to Article 3 of the Convention of July 24, 1886, relative to Burmah and Thibet.—March 1, 1894.*

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, and His Majesty the Emperor of China, being sincerely desirous of consolidating the relations of friendship and good neighborhood which happily exist between the two Empires, have resolved to conclude a Convention with the view of giving effect to Article III of the Convention relative to Burmah and Thibet, signed at Peking on the 24th July, 1886,† and have appointed as their Plenipotentiaries for this purpose, that is to say:

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, the Right Honourable the Earl of Rosebery, Knight of the Most Noble Order of the Garter, Her Britannic Majesty's Principal Secretary of State for Foreign Affairs;

And His Majesty the Emperor of China, Sieh Ta-Jên, Envoy Extraordinary and Minister Plenipotentiary of China at the Court of St. James', and Vice-President of the Imperial Board of Censors;

Who, having mutually communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:—

ART. I.—**Delimitation of frontier, first section.**— It is agreed that the frontier between the two Empires, from latitude 25° 35′ north, shall run as follows:

Commencing at the high conical peak situated approximately in that latitude and in longitude 98° 14′ east of Greenwich and 18° 16′ west of Peking, the line will follow, as far as possible, the crest of the hills running in a south-westerly direction through Kaolang Pum and the Warong Peak, and thence run nearly midway between the villages of Wanchon and Kaolang—leaving the former to Burmah and the latter to China—on to Sabu Pum.

From Sabu Pum the frontier will run in a line slightly to the south of west through Shatrung Pum to Namienku Pum; thence it will be continued, still running in a south-westerly direction along the crest of the hills, until it strikes the Tazar Kha River, the course of which it will follow from its source to its

* Text as printed in *Rockhill*, p. 5. Printed also in *B. & F. State Papers*, vol. 87, 1894-5, p. 1311; *Customs*, Vol. I, p. 520; *Hertslet*, p. 99.

This convention was modified by that of February 4, 1897 (No. 1897/1, *post*): see also the convention of April 27, 1906 (No. 1906/2, *post*).

In connection with this convention, see the Anglo-French declaration of January 15, 1896 (No. 1896/1, *post*), particularly Article 4.

† For the text, see *Hertslet*, p. 88 (No. 15).

confluence with the Nam Tabet or Tabak Kha, thus leaving Uka to the east and Laipong to the west.

From the confluence of the Tazar Kha River with the Tabak Kha, the frontier will ascend the latter river to its junction with the Lekra Kha, which it will follow to its source near Nkrang. From the source of the Lekra Kha, leaving Nkrang, Kukum, and Singra to the west, and Sima and Mali to the east, the line will follow the Lesa Kha from its western source to its junction with the Mali River, and thence will ascend the Mali to its source near Hpunra Shikong: thence it will run in a south-westerly direction along the Laisa Kha from its source down to the point where it falls into the Molé River near Kadon, leaving the village of Kadon to the west and that of Laisa to the east.

The line will then follow the course of the Molé in a southeasterly direction to the place where it receives the Che Yang Kha, which latter river it will follow to its source in the Alau Pum. It will then be directed along the Nampaung River from its western source down to where it enters the Taping River.

This concludes the description of the first section of the frontier.

II.—**Delimitation of frontier, second section.**—The second section of the frontier, or that portion of it which extends from the Taping River, to the neighbourhood of Meung Mao, will run as follows:

Starting from the junction of the Khalong Kha with the Taping River, the frontier will follow the Khalong Kha and its western branch to its source; it will be drawn thence southward to meet the Sipaho or Lower Nanthabet at a spot immediately to the south-west of Hanton, leaving Matin to Great Britain, and Loilong-ga-tong, Tiêh-pi-Kwan, and Hanton to China; thence it will ascend the branch of the last-named river which has its source nearest to that of the Mantein Kha. It will thence follow the crests of the line of hills running in a south-easterly direction to the more southerly of the two places named Kadaw, which is close to the Namwan River, leaving Kadaw to China and Palen to Great Britain. It will follow the Namwan River in a south-westerly direction down to the point in about latitude 23° 55′, where that river takes a south-easterly course. Thence it will run in a direction somewhat west of south to the Nammak River, leaving Namkhai to Great Britain. It will follow the Nammak River to the point where it bifurcates in about latitude 23° 47′, and will then ascend the southern branch till it reaches the crest of a high range of hills to the south of Mawsiu, in about latitude 23° 45′. It will follow the crest of this range (which runs slightly to the north of east) until it reaches the Shweli River at its junction with the Nammak, thus leaving to China the district of Mawsiu, the spot recently identified as Tien-ma-Kwan, and the villages of Hinglon and Kong-mow, lying to the north of the above-mentioned range.

It will then follow the course of the Shweli River, and where the river bifurcates, it will follow the more southerly of the two branches, leaving to China the island formed by them, until it reaches a point near the eastern end of the loop which the river forms opposite to Meung Mao, as indicated in the next Article of the Convention.

Open roads between Burmah and China.—The Government of China consent that the most direct of the roads between Bhamo and Nankhan, where it

through Loiaipong and Loipanglom until it reaches the Salween River, in about passes through the small portion of Chinese territory south of Namwan, shall, while remaining entirely open to Chinese subjects and to the tribesmen subject to China, be free and open to Great Britain for travellers, commerce, and administrative purposes, without any restrictions whatever. Her Britannic Majesty's Government shall have the right, after communication with the Chinese authorities, to execute any works which may be desirable for the improvement or repair of the road, and to take any measures which may be required for the protection of the traffic and the prevention of smuggling.

It is equally agreed that British troops shall be allowed to pass freely along this road. But no body of troops more than 200 in number shall be despatched across it without the consent of the Chinese authorities, and previous notice in writing shall be given of every armed party of more than twenty men.

III.—**Delimitation of frontier, third section.**—The third section of the frontier will run as follows:

It will commence from a point on the Shweli River, near to the east end of the loop formed by that river opposite to Meung Mao; thence paying due regard to the natural features and the local conditions of the country, it will trend in a south-easterly direction towards Ma-li-pa until it reaches, at a point in about longitude 98° 7′ east of Greenwich (18° 23′ west of Peking), and latitude 23° 52′, a conspicuous mountain range. It will follow the crests of that range latitude 23° 41′.

This portion of the frontier from the Shweli to the Salween River shall be settled by the Boundary Commission provided for in Article VI of the present Convention, and in such manner as to give to China at least as much territory as would be included if the frontier were drawn in a straight line from Meung Mao towards Ma-li-pa.

If it should be found that the most suitable frontier will give to China a larger amount of territory than is stated above, the compensation to be given to Great Britain on some other part of the frontier shall be matter for subsequent arrangement.

From latitude 23° 41′ the frontier will follow the Salween until it reaches the northern boundary of the circle of Kunlong. It will follow that boundary in an easterly direction, leaving the whole circle of Kunlong, and the ferry of that name to Great Britain, and leaving to China the State of Kokang.

It will then follow the course of the river forming the boundary between Somu, which belongs to Great Britain, and Mêng Ting, which belongs to China. It will still continue to follow the frontier between those two districts, which is locally well known, to where it leaves the aforesaid river and ascends the hills; and will then follow the line of water-parting between the tributaries of the Salween and the Meikong Rivers, from about longitude 99° east of Greenwich (17° 30′ west of Peking), and latitude 23° 20′, to a point about longitude 99° 40′ east of Greenwich (16° 50′ west of Peking), and latitude 23°, leaving to China the Tsawbwaships of Kêng Ma, Mengtung, and Mengko.

At the last-named point of longitude and latitude the line strikes a very lofty mountain range, called Kong-Ming-Shan, which it will follow in a southerly

direction to about longitude 99° 30′ east of Greenwich (17° west of Peking), and latitude 22° 30′, leaving to China the district of Chen-pien T'ing. Then, descending the western slope of the hills to the Namka River, it will follow the course of that river for about 10′ of latitude, leaving Munglem to China, and Manglün to Great Britain.

It will then follow the boundary between Munglem and Kyaing Tong, which is locally well-known, diverging from the Namka River a little to the north of latitude 22°, in a direction somewhat south of east, and generally following the crest of the hills till it strikes the Namlam River in about latitude 21° 45′, and longitude 100° east of Greenwich (16° 30′ west of Peking).

It will then follow the boundary between Kyaing Tong and Kiang Hung which is generally formed by the Namlam River, with the exception of a small strip of territory belonging to Kiang Hung, which lies to the west of that river just south of the last named parallel of latitude. On reaching the boundary of Kyaing Chaing, in about latitude 21° 27′, and longitude 100° 12′ east of Greenwich (16° 18′ west of Peking), it will follow the boundary between that district and Kiang Hung until it reaches the Meikong River.

IV.—**Portion of frontier to be settled ulteriorly.**—It is agreed that the settlement and delimitation of that portion of the frontier which lies to the north of latitude 25° 35′ north shall be reserved for a future understanding between the High Contracting Parties, when the features and conditions of the country are more accurately known.

V.—**Territorial concessions to China.**—In addition to the territorial concessions in Northern Theinni, and the cession to China of the State of Kokang, which result from the frontier as above described, Her Britannic Majesty, in consideration of the abandonment of the claims advanced by China to the territory lying outside and abutting on the frontier of the Prefecture of Yung Chang and Sub-Prefecture of Teng Yüeh, agrees to renounce in favour of His Majesty the Emperor of China, and of his heirs and successors for ever, all the suzerain rights in and over the States of Munglem and Kiang Hung ‡ formerly possessed by the Kings of Ava concurrently with the Emperors of China. These and all other rights in the said States, with the titles, prerogatives and privileges thereto pertaining, Her Majesty the Queen Empress renounces as aforesaid, with the sole proviso that His Majesty the Emperor of China shall not, without previously coming to an agreement with Her Britannic Majesty, cede either Munglem or Kiang Hung, or any portion thereof, to any other nation.§

‡ *Hertslet* (p. 103), citing *Parliamentary Paper, Siam, No.* 1 (1893), makes the following note:—"On the 1st December, 1893, the French Government were officially informed by the British Government that no Treaty had then been signed between Great Britain and China, on the subject of the State of Kiang Hung, and that England had no intention of seeking to obtain any monopoly, either for railways, steam-boat companies, or any other mode of transit or communication, to the detriment of French commercial enterprises of the same kind; and that it was understood that, in that respect, the field would be left open to French and English enterprise. In return the French Government stated that the delimitation of the French possessions on the side of Kiang Hung had not then been made, but that, in the negotiations on the subject which the French Government would have to carry on with the Chinese Government, they intended to be guided by the same principles as were laid down by the British Government in their communication of the 1st December, 1893."

§ *Hertslet*, citing *Hansard's Debates*. vol. 47 (1897), p. 296, notes that "Under the Burmah Frontier Convention, as revised (No. 1897/1, *post*), certain territorial compensa-

VI.—**Demarcation of frontier.**—It is agreed that, in order to avoid any local contention, the alignments of the frontier described in the present Convention, and shown on the maps annexed thereto, shall be verified and demarcated, and, in case of its being found defective at any point, rectified by a Joint Commission appointed by the High Contracting Parties; and that the said Commission shall meet, at a place hereafter to be determined on by the two Governments, not later than twelve months after the exchange of the ratifications of the present Convention; and shall terminate its labours in not more than three years from the date of its first meeting.

It is understood that any alterations in the alignment which the Joint Commission may find it necessary to make shall be based on the principle of equivalent compensations, having regard not only to the extent, but also to the value, of the territory involved. Further, that should the members of the Commission be unable to agree on any point, the matter of disagreement shall at once be referred to their respective Governments.

The Commission shall also endeavour to ascertain the situation of the former frontier-post of China named Kanlung Kwan. If this place can be identified, and is found to be situated in British Territory, the British Government will consider whether it can, without inconvenience, be ceded to China.

If it shall be found to the south-east of Meung Mao so as to be on the northern side of the straight line drawn from that place towards Ma-li-pa, it will in that case already belong to China.

VII.—**Occupation following demarcation.**—It is agreed that any posts belonging to either country which may be stationed within the territory of the other when the Commission of Delimitation shall have brought its labours to a conclusion shall, within eight months from the date of such conclusion, be withdrawn, and their places occupied by the troops of the other, mutual notice having in the meantime been given of the precise date at which the withdrawal and occupation will take place. From the date of such occupation the High Contracting Parties shall each within its own territories hold itself responsible for the maintenance of good order, and for the tranquillity of the tribes inhabiting them.

Unfortified strip.—The High Contracting Parties further engage neither to construct nor to maintain within 10 English miles from the nearest point of the common frontier, measured in a straight line and horizontal projection, any fortifications or permanent camps, beyond such posts as are necessary for preserving peace and good order in the frontier districts.

VIII.—**Free trade between China and Burmah.**—Subject to the conditions mentioned hereafter in Articles X and XI, the British Government, wishing to encourage and develop the land trade of China with Burmah as much as possible, consent, for a period of six years from the ratification of the present Convention, to allow Chinese produce and manufactures, with the exception of salt, to enter Burmah by land duty free, and to allow British manufactures and

tions were made to Great Britain for the violation by the Chinese Government of that portion of the original Convention that related to Kiang Hung," the Chinese Government having by the Delimitation Convention with France, signed June 20, 1895 (No. 1895/4, *post*), alienated a part of the territory of Kiang Hung.

Burmese produce, with the exception of rice, to be exported to China by land free of duty.

Salt and rice subject to duties.—The duties on salt and rice so imported and exported shall not be higher than those imposed on their import or export by sea.

IX.—**Trade route.**—Pending the negotiation of a more complete arrangement, and until the development of the trade shall justify the establishment of other frontier Customs stations, goods imported from Burmah into China or exported from China into Burmah shall be permitted to cross the frontier by Manwyne and by Sansi.

Reduced tariff.—With a view to the development of trade between China and Burmah, the Chinese Government consent that for six years from the ratification of the present Convention the duties levied on goods imported into China by these routes shall be those specified in the General Tariff of the Maritime Customs diminished by three-tenths, and that the duties on goods exported from China by the same route shall be those specified in the same Tariff diminished by four-tenths.

Transit passes.—Transit passes for imports and exports shall be granted in accordance with the rules in force at the Treaty ports.

Smuggling.—Smuggling or the carrying of merchandize through Chinese territory by other routes than those sanctioned by the present Convention, shall, if the Chinese authorities think fit, be punished by the confiscation of the merchandize concerned.

X.—**Trade in munitions of war.**—The following articles, being munitions of war, shall neither be exported from Burmah into China, nor imported from China into Burmah, save at the requisition of the Government desiring their importation; neither shall they be sold to parties other than those who have been duly authorized by their respective Governments to purchase them:

Cannon, shot and shell, cartridges and ammunition of all kinds, firearms and weapons of war of every description. Saltpetre, sulphur, brimstone, gunpowder, dynamite, gun-cotton, or other explosives.

XI.—**Forbidden trade.**—The exportation from Burmah into China of salt is prohibited. The exportation from China into Burmah of cash, rice, pulse and grains of every kind is prohibited.

The importation and exportation across the frontier of opium and spirituous liquors is prohibited, excepting in small quantities for the personal use of travellers. The amount to be permitted will be settled under Customs regulations.

Infractions of the conditions set forth in this and the preceding Article will be punishable by confiscation of all the goods concerned.

XII.—**Encouragement of mining.**—The British Government, wishing to promote frontier trade between the two countries by encouraging mining enterprise in Yünnan and in the new territorial acquisitions of China referred to in the present Convention, consent to allow Chinese vessels carrying merchandize, ores, and minerals of all kinds, and coming from or destined for China, freely to navigate the Irrawaddy on the same conditions as to dues and other matters as British vessels.

XIII.—**Consular officers.**—It is agreed that His Majesty the Emperor of

China may appoint a Consul in Burmah, to reside at Rangoon; and that Her Britannic Majesty may appoint a Consul to reside at Manwyne; and that the Consuls of the two Governments shall each within the territories of the other enjoy the same privileges and immunities as the Consuls of the most favoured nation.

Further, that, in proportion as the commerce between Burmah and China increases, additional Consuls may be appointed by mutual agreement, to reside at such places in Burmah and Yünnan as the requirements of the trade may seem to demand.

The correspondence between the British and Chinese Consuls respectively, and the chief authority at the place where they reside, shall be conducted on terms of perfect equality.

XIV.—**Passports.**—Passports, written in Chinese and English, and identical in terms to those issued to foreigners at the Treaty ports in China, shall, on the application of the proper British authorities, be issued to British merchants and others wishing to proceed to China from Burmah, by the Chinese Consul at Rangoon or by the Chinese authorities on the frontier; and Chinese subjects wishing to proceed to Burmah from China shall, on the application of any recognized Chinese official, be entitled to receive similar passports from Her Britannic Majesty's Consul at Manwyne or other convenient places in China where there may be a British Consular officer.

XV.—**Extradition of criminals.**—Should criminals, subjects of either country, take refuge in the territory of the other, they shall, on due requisition being made, be searched for, and, on reasonable presumption of their guilt being established, they shall be surrendered to the authorities demanding their extradition.

" Due requisition " shall be held to mean the demand of any functionary of either Government possessing a seal of office, and the demand may be addressed to the nearest frontier officer of the country in which the fugitive has taken refuge.

XVI.—**Telegraph lines to be extended.**—With a view to improving the intercourse between the two countries, and placing the Chinese Consul at Rangoon in communication with the high provincial authorities in Yünnan, the High Contracting Parties undertake to connect the telegraphic systems of the two countries with each other as soon as the necessary arrangements can be made; the line will, however, at first only be used for the transmission of official telegrams and of general messages for and from Burmah and the Province of Yünnan.

XVII.—**Favored-nation provision.**—It is agreed that subjects of the two Powers shall each within the territories of the other enjoy all the privileges, immunities, and advantages that may have been, or may hereafter be accorded to the subjects of any other nation.

XVIII.—**Stipulations of convention restricted to localities mentioned.**—It is agreed that the commercial stipulations contained in the present Convention being of a special nature and the result of mutual concessions, consented to with a view to adapting them to local conditions and the peculiar necessities of the Burmah-China overland trade, the advantages accruing from them shall not be invoked by the subjects of either Power residing at other places where the two

Empires are conterminous, excepting where the same conditions prevail, and then only in return for similar concessions.

XIX.—**Revision of convention.**—The arrangements with regard to trade and commerce contained in the present Convention being of a provisional and experimental character, it is agreed that should subsequent experience of their working, or a more intimate knowledge than is now possessed of the requirements of the trade, seem to require it, they may be revised at the demand of either party after a lapse of six years after the exchange of ratifications of the present Convention, or sooner should the two Governments desire it.

XX.—**Ratification.**—The ratification of the present Convention under the hand of Her Britannic Majesty and of His Majesty the Emperor of China shall be exchanged in London in six months from this day of signature, or sooner if possible.

The Convention shall come into force immediately after the exchange of ratifications.‖

In token whereof the respective Plenipotentiaries have signed this Convention in four copies, two in Chinese and two in English.

Done at London, this 1st day of March, 1894, corresponding to the 24th day of the 1st moon of the 20th year of Kuang Hsü.

[L. S.] ROSEBERY.
[L. S.] SIEH.

DECLARATION.

On proceeding to the signature this day of the Convention between Great Britain and China, giving effect to Article III of the Convention relative to Burmah and Thibet, signed at Peking on the 24th July, 1886:¶

The undersigned Plenipotentiaries declare that, inasmuch as the present Convention has been concluded for the special purpose mentioned in the preamble thereof, the stipulations contained therein are applicable only to those parts of the dominions of Her Britannic Majesty and of His Majesty the Emperor of China to which the said Convention expressly relates, and are not to be construed as applicable elsewhere.

Done at London, the 1st day of March, 1894.

[L. S.] ROSEBERY.
[L. S.] SIEH.

‖ Ratifications were exchanged at London on August 23, 1894.
¶ *Hertslet*, 88 (No. 15).

NUMBER 1894/2.

UNITED STATES AND CHINA.

Convention regulating Chinese immigration.—March 17, 1894.†*

Whereas, on the 17th day of November A. D. 1880, and of Kwanghsü, the sixth year, tenth moon, fifteenth day, a Treaty was concluded between the United States and China for the purpose of regulating, limiting, or suspending the coming of Chinese laborers to, and their residence in, the United States;

And whereas the Government of China, in view of the antagonism and much deprecated and serious disorders to which the presence of Chinese laborers has given rise in certain parts of the United States, desires to prohibit the emigration of such laborers from China to the United States;

And whereas the two governments desire to co-operate in prohibiting such immigration, and to strengthen in other ways the bonds of friendship between the two countries;

And whereas the two Governments are desirous of adopting reciprocal measures for the better protection of the citizens or subjects of each within the jurisdiction of the other;

Now, therefore, the President of the United States has appointed Walter Q. Gresham, Secretary of State of the United States, as his Plenipotentiary, and His Imperial Majesty, the Emperor of China has appointed Yang Yü, Officer of the second rank, Sub-Director of the Court of Sacrificial Worship, and Envoy Extraordinary and Minister Plenipotentiary to the United States of America, as his Plenipotentiary; and the said Plenipotentiaries having exhibited their respective Full Powers found to be in due and good form, have agreed upon the following articles:

ARTICLE I.—The High Contracting Parties agree that for a period of ten years, beginning with the date of the exchange of the ratifications of this Convention, the coming, except under the conditions hereinafter specified, of Chinese laborers to the United States shall be absolutely prohibited.

ARTICLE II.—The preceding Article shall not apply to the return to the United States of any registered Chinese laborer who has a lawful wife, child, or parent in the United States, or property therein of the value of one thousand dollars, or debts of like amount due him and pending settlement. Nevertheless every such Chinese laborer shall, before leaving the United States, deposit, as a condition of his return, with the collector of customs of the district from which he departs, a full description in writing of his family, or property, or debts, as aforesaid, and shall be furnished by said collector with such certificate of his right to return under this Treaty as the laws of the United States may now

* Text as printed in *Malloy*, p. 241. Printed also in *Customs*, Vol. I, p. 740; *Hertslet*, p. 563.

† Ratifications exchanged December 7, 1894. This treaty terminated December 7, 1904, on notice given by the Chinese Government.

or hereafter prescribe and not inconsistent with the provisions of this Treaty; and should the written description aforesaid be proved to be false, the right of return thereunder, or of continued residence after return, shall in each case be forfeited. And such right of return to the United States shall be exercised within one year from the date of leaving the United States; but such right of return to the United States may be extended for an additional period, not to exceed one year, in cases where by reason of sickness or other cause of disability beyond his control, such Chinese laborer shall be rendered unable sooner to return—which facts shall be fully reported to the Chinese Consul at the port of departure, and by him certified, to the satisfaction of the collector of the port at which such Chinese subject shall land in the United States. And no such Chinese laborer shall be permitted to enter the United States by land or sea without producing to the proper officer of the customs the return certificate herein required.

Article III.—The provisions of this Convention shall not affect the right at present enjoyed of Chinese subjects, being officials, teachers, students, merchants or travellers for curiosity or pleasure, but not laborers, of coming to the United States and residing therein. To entitle such Chinese subjects as are above described to admission into the United States, they may produce a certificate from their Government or the Government where they last resided viséd by the diplomatic or consular representative of the United States in the country or port whence they depart.

It is also agreed that Chinese laborers shall continue to enjoy the privilege of transit across the territory of the United States in the course of their journey to or from other countries, subject to such regulations by the Government of the United States as may be necessary to prevent said privilege of transit from being abused.

Article IV.—In pursuance of Article III of the Immigration Treaty between the United States and China, signed at Peking on the 17th day of November, 1880, (the 15th day of the tenth month of Kwanghsü, sixth year) it is hereby understood and agreed that Chinese laborers or Chinese of any other class, either permanently or temporarily residing in the United States, shall have for the protection of their persons and property all rights that are given by the laws of the United States to citizens of the most favored nation, excepting the right to become naturalized citizens. And the Government of the United States reaffirms its obligation, as stated in said Article III, to exert all its power to secure protection to the persons and property of all Chinese subjects in the United States.

Article V.—The Government of the United States, having by an Act of the Congress, approved May 5, 1892, as amended by an Act approved November 3, 1893, required all Chinese laborers lawfully within the limits of the United States before the passage of the first named Act to be registered as in said Acts provided, with a view of affording them better protection, the Chinese Government will not object to the enforcement of such Acts, and reciprocally the Government of the United States recognizes the right of the Government of China to enact and enforce similar laws or regulations for the registration, free of

charge, of all laborers, skilled or unskilled, (not merchants as defined by said Acts of Congress), citizens of the United States in China, whether residing within or without the treaty ports.

And the Government of the United States agrees that within twelve months from the date of the exchange of the ratifications of this Convention, and annually, thereafter, it will furnish to the Government of China registers or reports showing the full name, age, occupation, and number or place of residence of all other citizens of the United States, including missionaries, residing both within and without the treaty ports of China, not including, however, diplomatic and other officers of the United States residing or travelling in China upon official business, together with their body and household servants.

ARTICLE VI.—This Convention shall remain in force for a period of ten years beginning with the date of the exchange of ratifications, and, if six months before the expiration of the said period of ten years, neither Government shall have formally given notice of its final termination to the other, it shall remain in full force for another like period of ten years.

In faith whereof, we, the respective plenipotentiaries, have signed this Convention and have hereunto affixed our seals.

Done, in duplicate, at Washington, the 17th day of March, A. D. 1894.

WALTER Q. GRESHAM. [SEAL.]
YANG YÜ. [SEAL.]

NUMBER 1895/1.

GREAT BRITAIN (Hongkong and Shanghai Banking Corporation) AND CHINA.

Final Agreement for the Chinese Imperial Government seven per cent silver loan of 1894.—January 26, 1895.

An agreement made this 26 day of January 1895 between the Tsung li Yamen acting in conjunction with the Board of Revenue on behalf of the Imperial Chinese Government of the one part and the Hongkong & Shanghai Banking Corporation of the other part.

2.—Whereas by a Preliminary contract made on the 2nd day of October 1894 between the Tsung li Yamen and the Corporation, the Corporation was authorised to act as Agents for the Chinese Government and as such Agents to raise a loan on behalf of the Chinese Government of Ten millions nine hundred thousand Taels of Shanghai sycee being the equivalent of Ten millions Kuping Taels pure silver. The rate of interest being 7 per cent per annum, the period of the Loan being ten years, and it being arranged that Bonds to secure repayment to the public of principal and interest should be issued to the public at par, and that the rate of Exchange should be left to the discretion of the Corporation.

3.—And whereas at subsequent discussions between the parties it was arranged that the term of the loan should be extended to 20 years and that instead of issuing the Bonds to the public at par they should be issued at a discount of 2 per cent and at a sterling exchange of three shillings per S'hai Tael and that the whole amount, after deducting the Corporation's commission and allowance for expenses, so received should be handed over to the Chinese Government by the Corporation at an exchange of two shillings and eleven pence (2/11 1/4) per S'hai Tael, that is to say the equivalent of the full amount of the Bonds at par, videlicit Shanghai Taels 10,900,000 less commission and allowance for expense as above; and other variations were made.

4.—And whereas the Corporation have contracted with the public for the loan under the modified agreement, and have collected a large proportion of it; and, after deducting their commission and allowance for expenses, have handed over the balance of the money collected to the Chinese Government, and have agreed to hand over the balance which is to be collected on the 10th of January 1895 to the Chinese Government on its being collected: all of which acts and arrangements have been examined into and approved of by the Chinese Government.

5.—And whereas His Imperial Majesty the Emperor of China has by Edict made on the 9th day of November 1894 (a copy whereof has been delivered through the Tsung li Yamen and the British Minister to the Corporation) authorised and recognized the said loan and the signing of this agreement.

6.—*Now it is agreed as follows*:

7.—Interest on the whole amount of the Loan shall be calculated from the 1st day of November 1894 and shall be at the rate of 7 per cent per annum on the amount from time to time remaining due. The first payment of interest shall be made on the 1st day of May 1895 and the subsequent payments on the 1st day of May and the 1st day of November in every year so long as any principal money remains due.

8.—The principal of the loan shall be repaid in 10 equal annual instalments commencing after the expiration of 9 years from the 1st day of November 1894, that is to say on the 1st day of November 1904. The holders of Bonds undrawn on the 1st November 1912 shall have the option of receiving payment of same, with interest thereon, either on the 1st November 1913 or on the 1st November 1914.

9.—The Loan and interest shall be paid through the Corporation in London and elsewhere as may suit the convenience of the Bond holders, according to the schedule to this agreement.

10.—The money to meet each payment of interest and instalment of principal shall be handed to the Corporation at their Branch at Shanghai, in S'hai sycee, 7 days before each payment or instalment becomes due.

11.—The Shanghai sycee to be handed to the Corporation to meet the payments of interest and instalments of principal shall be of the ordinarily accepted standard of Shanghai sycee according to which payment of the loan is made to the Chinese Government.

12.—Bonds of the Chinese Government to the extent of S'hai Taels

10,900,000, bearing interest until repayment at the rate of 7 per cent per annum, each for such amount and in such form as the Corporation shall think proper, shall be issued by the Corporation to the subscribers to the loan; and the Chinese Envoy to Great Britain shall put his Official seal upon every Bond as evidence that the Chinese Government is bound thereby.

13.—The Chinese Government hereby specially authorises the Corporation, as attorneys and Agents for the Chinese Government, the Tsung li Yamen and the Board of Revenue, to issue the said Bonds on the sole responsibility of the Chinese Government, and without the Corporation accepting any responsibility for payment of either interest or principal.

14.—Customs Bonds for the total amount of principal and interest of the loan each for such amount as shall suit the convenience of the Corporation, signed by the Commissioner of Customs for the Treaty Port upon which each Bond is chargeable and sealed by the Provincial Governor General or Governor within whose jurisdiction such Treaty Port is situated, and by the Chinese Superintendent of Customs at such Port, shall be handed to the Shanghai Branch of the Corporation on or before the 15th day of March 1895.

15.—The Chinese Government hereby assigns to and charges in favor of the Corporation sufficient of the Customs Revenue at all or any of the Treaty ports, irrespective of the port upon which any Bond may be primarily chargeable, to meet and pay off all the Customs Bonds which have been handed to the Corporation as aforesaid. In the event of circumstances arising which should lead to the non-payment of a Customs Bond or Bonds on presentation the Chinese Government hereby authorises the Corporation or its Agents to proceed to collect at any Treaty port or ports Customs Revenue sufficient to meet such Bond or Bonds.

16.—In the event of the money to meet a payment of interest or instalment of principal not being handed to the Corporation at their Branch in Shanghai at due date, the said Customs Bonds may be tendered, and shall be accepted, in payment of duties to the amount of the face values together with any interest in arrear up to or after the due date of the Bond. A Bond primarily chargeable to any one Custom House may be tendered, and shall be accepted, at any other Custom House.

17.—Should the money to pay the interest on the loan and the instalments as they become due not be punctually provided as stipulated in the terms of this agreement, or under the said Customs Bonds, or from the Revenue of the Customs, then His Imperial Majesty the Emperor of China and his successors and the Imperial Chinese Government shall remain liable for, and shall pay, the said interest and instalments immediately after the failure of the Customs to do so shall have occurred, together with interest thereon to the day of actual payment.

18.—The Chinese Government guarantees that the prior charges upon the Customs Revenue now outstanding do not exceed £700,000 Sterling and Tls. 500,000 besides loans issued by the Imperial Chinese Government at the present moment at Shanghai and Canton to the extent of about Tls. 2,000,000 at each place with interest thereon.

19.—The said Customs Bonds shall be returned to the Customs authorities according to the amount of the loan from time to time repaid by instalments, as and when the money is received by the Corporation.

20.—This agreement is made out in English and Chinese, and in the event of any question arising between the parties hereto as to the tone [? *true*] meaning thereof the same shall be determined by the text of the English thereof which shall be taken as the true text.

21.—The terms of this agreement and its signature by the contracting parties shall be immediately after signature reported to the Throne by the Board of Revenue and Tsung li Yamen in a joint supplementary Memorial, and copies of that Memorial and of the Imperial Decree received in reply sanctioning this agreement shall be officially handed by the Tsung li Yamen to H. B. M. Minister in Peking for communication to the Corporation.

THE SCHEDULE ABOVE REFERRED TO

Year	Date	Instalment of Principal Due	Balance of Principal Outstanding	Interest Due	Total Due
1894	Nov. 1		10,900,000		
1895	May 1		"	381,500	381,500
	Nov. 1		"	"	381,500
1896	May 1		"	"	381,500
	Nov. 1		"	"	381,500
1897	May 1		"	"	381,500
	Nov. 1		"	"	381,500
1898	May 1		"	"	381,500
	Nov. 1		"	"	381,500
1899	May 1		"	"	381,500
	Nov. 1		"	"	381,500
1900	May 1		"	"	381,500
	Nov. 1		"	"	381,500
1901	May 1		"	"	381,500
	Nov. 1		"	"	381,500
1902	May 1		"	"	381,500
	Nov. 1		"	"	381,500
1903	May 1		"	"	381,500
	Nov. 1		"	"	381,500
1904	May 1		"	"	381,500
	Nov. 1	1,090,000	9,810,000	"	1,471,500
1905	May 1		"	343,350	343,350
	Nov. 1	1,090,000	8,720,000	343,350	1,433,350
1906	May 1		"	305,200	305,200
	Nov. 1	1,090,000	7,630,000	305,200	1,395,200
1907	May 1		"	267,050	267,050
	Nov. 1	1,090,000	6,540,000	267,050	1,357,050
1908	May 1		"	228,900	228,900
	Nov. 1	1,090,000	5,450,000	228,900	1,318,900
1909	May 1		"	190,750	190,750
	Nov. 1	1,090,000	4,360,000	190,750	1,280,750
1910	May 1		"	152,600	152,600
	Nov. 1	1,090,000	3,270,000	152,600	1,242,600
1911	May 1		"	114,450	114,450
	Nov. 1	1,090,000	2,180,000	114,450	1,204,450
1912	May 1		"	76,300	76,300
	Nov. 1	1,090,000	1,090,000	76,300	1,166,300
1913	May 1		"	38,150	38,150
	Nov. 1	1,090,000	"	38,150	1,128,150
				Shanghai Taels	21,963,500

These presents have been written in duplicate and duly signed by both parties hereto, each retaining one.

NUMBER 1895/2.

GREAT BRITAIN (Hongkong and Shanghai Banking Corporation) AND CHINA.

Final Agreement for the Chinese Imperial Government six per cent Sterling loan of 1895.—January 26, 1895.

This Contract is made between the Tsung li Yamen, Peking, acting in conjunction with the Board of Revenue, on behalf of the Imperial Government of China, and the Hongkong and Shanghai Banking Corporation.

1.—The Tsung li Yamen hereby authorises the Hongkong and Shanghai Banking Corporation, acting as agent for the Imperial Government of China, either alone or associated with others selected by the Corporation, to borrow for the Imperial Government of China the sum of Three million pounds Sterling.

2.—The rate of interest for the loan shall not exceed six per cent per annum, and shall be payable half yearly, on the thirtieth day of June and thirty first day of December of each year, on the amount of the loan from time to time remaining unredeemed.

3.—The term of the loan shall be twenty years and repayment of principal shall be made by fifteen equal annual drawings commencing on the thirty first day of December nineteen hundred, but the Imperial Government of China shall have the power and right of paying off the loan at par at any time during the aforesaid term of twenty years on giving six months' notice by advertisement in the " Times " newspaper, London.

4.—All payments of interest and repayments of principal shall be made to the Hongkong and Shanghai Banking Corporation by the Imperial Government of China, in accordance with the schedule to this Contract, and the Imperial Government of China shall hand to the Corporation at their Branch in S'hai funds sufficient to enable them to meet all such payments in Sterling twenty one days before they become due.

5.—The loan shall be issued to the public at a subscription price of not less than ninety five and a half per cent.

6.—The Corporation, as Agent for the Imperial Government of China, shall issue to subscribers to the loan Sterling Bonds for the total amount of the loan, each for such amount as shall appear advisable in the discretion of the Corporation, and they shall be sealed by the Minister for China in London as evidence that the Imperial Chinese Government is bound thereby.

7.—The Commission to be paid by the Imperial Chinese Government to the Corporation for floating and issuing the loan shall be two per cent clear on the total amount of the loan, that is to say shall be sixty thousand pounds Sterling, and shall be deducted by the Corporation from the proceeds of the loan.

8.—All charges for underwriting, stamps, brokerage &c., incurred by the Corporation in connection with the floating and issue of the loan and estimated at

four and a half per cent on the total amount of the loan, shall be borne by the Imperial Chinese Government and shall be deducted by the Corporation from the proceeds of the loan.

9.—This loan, subject to loans now remaining unredeemed, shall be charged on the Imperial Maritime Customs Revenue of China, and shall have priority, both regarding principal and interest, over all future loans charges and mortgages, so long as this loan, or any part thereof, shall be unredeemed. No loan, charge or mortgage shall be raised or created which shall take precedence of, or be on equality with this loan or which shall in any manner lessen or impair its security over the said Customs Revenue, so far as required for the annual service of this loan; and any future loan charge or mortgage charged on the said Customs Revenue shall be made subject to this loan, and it shall be so expressed in every agreement for any such future loan, charge or mortgage.

10.—This loan shall be further secured by Customs Bonds for the total sterling amount of the loan and interest, issued by the Tsung li Yamen and the Board of Revenue, Peking, and countersigned by the Inspector General of Customs, and all such Customs Bonds shall contain the "priority clause" number nine of this contract. Such Customs Bonds shall be handed to the Hongkong and Shanghai Banking Corporation, in Tientsin, before payment by the Corporation to the Imperial Chinese Government of the proceeds of the loan.

11.—This loan shall be also further collaterally secured by deposit with the Hongkong and Shanghai Banking Corporation of Sterling Customs Bonds, equal in value altogether to the total amount of the loan and interest, sealed by the Chinese Superintendents of Customs at Treaty ports and by the Governors General or Governors of the Provinces within which such Treaty ports are situated and countersigned by the Foreign Commissioners of Customs at such ports. Such Customs Bonds shall be handed to the Corporation at their Branch in Shanghai within three months from the date of signing this contract and, in the event of the money to meet a payment of interest or instalment of principal not being handed to the Corporation at their Branch in Shanghai at due date, shall be available for payment of Imperial Maritime Customs duties at all or any of the Treaty ports of China irrespective of the port or ports upon which such Bonds may be primarily chargeable, or in such other manner as stated in the Bonds.

12.—Should the loan be floated on better terms than those named herein the Imperial Chinese Government shall have the benefit of the difference, and the Corporation shall share in no economy or profits on the floating of the loan other than its commission of two per cent, clear, aforesaid.

13.—The authority hereby given by the Tsung li Yamen to the Hongkong and Shanghai Banking Corporation to borrow money on behalf of the Imperial Government of China on the terms herein named shall remain in force for ten days from the receipt by the Hongkong and Shanghai Banking Corporation, in London of telegraphic advice of the signing of this contract, but the Corporation accepts no responsibility for success or failure in floating the loan.

14.—Immediately upon being informed by the Hongkong and Shanghai Banking Corporation that initial arrangements can be made for floating the loan, and before the loan shall be issued to the public, the Board of Revenue and the Tsung li Yamen shall jointly memorialise the Throne and obtain the Imperial sanction for this contract with all the conditions herein specified, and copies of their Memorial and of the Imperial Decree sanctioning this contract shall be officially handed by the Tsung li Yamen to Her Britannic Majesty's Minister in Peking for communication to the Corporation.

SCHEDULE ABOVE REFERRED TO

Year	Date	Instalment of principal due	Balance of principal outstanding	Interest due	Total due
1894	Dec. 31		3,000,000		
1895	June 30		3,000,000	90,000	90,000
	Dec. 31		3,000,000	90,000	90,000
1896	June 30		3,000,000	90,000	90,000
	Dec. 31		3,000,000	90,000	90,000
1897	June 30		3,000,000	90,000	90,000
	Dec. 31		3,000,000	90,000	90,000
1898	June 30		3,000,000	90,000	90,000
	Dec. 31		3,000,000	90,000	90,000
1899	June 30		3,000,000	90,000	90,000
	Dec. 31		3,000,000	90,000	90,000
1900	June 30		3,000,000	90,000	90,000
	Dec. 31	200,000	2,800,000	90,000	290,000
1901	June 30		2,800,000	84,000	84,000
	Dec. 31	200,000	2,600,000	84,000	284,000
1902	June 30		2,600,000	78,000	78,000
	Dec. 31	200,000	2,400,000	78,000	278,000
1903	June 30		2,400,000	72,000	72,000
	Dec. 31	200,000	2,200,000	72,000	272,000
1904	June 30		2,200,000	66,000	66,000
	Dec. 31	200,000	2,000,000	66,000	266,000
1905	June 30		2,000,000	60,000	60,000
	Dec. 31	200,000	1,800,000	60,000	260,000
1906	June 30		1,800,000	54,000	54,000
	Dec. 31	200,000	1,600,000	54,000	254,000
1907	June 30		1,600,000	48,000	48,000
	Dec. 31	200,000	1,400,000	48,000	248,000
1908	June 30		1,400,000	42,000	42,000
	Dec. 31	200,000	1,200,000	42,000	242,000
1909	June 30		1,200,000	36,000	36,000
	Dec. 31	200,000	1,000,000	36,000	236,000
1910	June 30		1,000,000	30,000	30,000
	Dec. 31	200,000	800,000	30,000	230,000
1911	June 30		800,000	24,000	24,000
	Dec. 31	200,000	600,000	24,000	224,000
1912	June 30		600,000	18,000	18,000
	Dec. 31	200,000	400,000	18,000	218,000
1913	June 30		400,000	12,000	12,000
	Dec. 31	200,000	200,000	12,000	212,000
1914	June 30		200,000	6,000	6,000
	Dec. 31	200,000	200,000	6,000	206,000
		£3,000,000		£2,340,000	£5,340,000

Signed by the contracting parties in duplicate, one copy being retained by each party, this first day of the first month of the twenty first year of the Em-

peror Kuang Hsü, being the twenty sixth day of January one thousand eight hundred and ninety five English Calendar.

(Signed) For the Hongkong & Shanghai Banking Corporation,
E. G. Hillier,
Agent and Attorney.

(Signed) Shu Wen,
Secretary of the Tsung li Yamen.

[seal of tsung li yamen.]
[*Date, in Chinese.*]

NUMBER 1895/3.

JAPAN AND CHINA.

*Treaty of peace (with separate articles and Convention to prolong Armistice).**—*April 17, 1895.*

His Majesty the Emperor of China and His Majesty the Emperor of Japan, desiring to restore the blessings of peace to their countries and subjects and to remove all cause for future complications, have named as their Plenipotentiaries for the purpose of concluding a Treaty of peace; that is to say, His Majesty the Emperor of China, Li Hung-chang, Senior Tutor to the Heir Apparent, Senior Grand Secretary of State, Minister Superintendent of Trade for the Northern Ports of China, Viceroy of the Province of Chihli, and Earl of the First Rank, and Li Ching-fong, Ex-Minister of the Diplomatic Service, of the Second Official Rank;

And His Majesty the Emperor of Japan, Count Ito Hirobumi, Junii, Grand Cross of the Imperial Order of Paullownia, Minister President of State, and Viscount Mutsu Munemitsu, Junii, First Class of the Imperial Order of the Sacred Treasure, Minister of State for Foreign Affairs;

Who, after having exchanged their full powers, which were found to be in good and proper form, have agreed to the following Articles:—

Article I.—**Independence of Korea.**—China recognizes definitely the full and complete independence and autonomy of Korea, and in consequence the payment of tribute and the performance of ceremonies and formalities by Korea to China, in derogation of such independence and autonomy, shall wholly cease for the future.

Article II.—**Cession of part of Fêngtien Province.**—China cedes to Japan in perpetuity and full sovereignty the following territories, together with all fortifications, arsenals, and public property thereon:

* Text as printed in *Rockhill*, p. 14. Printed also in *Customs*, Vol. II, p. 590; *Traités et Conventions*, p. 209; *Hertslet*, p. 362; *Recueil*, p. 1; *Am. Int. Law Journal, Supplement*, 1907, p. 378. See Note 1 to this document, *post*, p. 24.

(*a*) The southern portion of the province of Fêngtien, within the following boundaries:—

The line of demarcation begins at the mouth of the River Yalu and ascends that stream to the mouth of the River An-ping; from thence the line runs to Fêng-huang; from thence to Haicheng; from thence to Ying-kow, forming a line which describes the southern portion of the territory. The places above named are included in the ceded territory. When the line reaches the River Liao at Ying-kow, it follows the course of that stream to its mouth where it terminates. The mid-channel of the River Liao shall be taken as the line of demarcation.

This cession also includes all islands appertaining or belonging to the province of Fêngtien, situated in the eastern portion of the Bay of Liao-tung and in the northern part of the Yellow Sea.

(*b*) The island of Formosa, together with all islands appertaining or belonging to said island of Formosa.

(*c*) The Pescadores Group, that is to say, all islands lying between the 119th and 120th degrees of longitude east of Greenwich and the 23rd and 24th degrees of north latitude.

ARTICLE III.—**Delimitation of ceded territory.**—The alignments of the frontiers described in the preceding Article and shown on the annexed map,† shall be subject to the verification and demarcation on the spot, by a Joint Commission of Delimitation consisting of two or more Chinese and two or more Japanese Delegates to be appointed immediately after the exchange of the ratifications of this Act. In case the boundaries laid down in this act are found to be defective at any point, either on account of topography or in consideration of good administration, it shall also be the duty of the Delimitation Commission to rectify the same.

The Delimitation Commission will enter upon its duties as soon as possible and will bring its labors to a conclusion within the period of one year after appointment.

The alignments laid down in this Act shall, however, be maintained until the rectifications of the Delimitation Commission, if any are made, shall have received the approval of the Governments of China and Japan.

ARTICLE IV.—**War Indemnity to Japan.**—China agrees to pay to Japan as a war indemnity the sum of 200,000,000 Kuping Taels. The said sum is to be paid in eight installments. The first installment of 50,000,000 Taels to be paid within six months, and the second installment of 50,000,000 Taels to be paid within twelve months after the exchange of the ratifications of this Act. The remaining sum to be paid in six equal annual installments, as follows: The first of such equal annual installments to be paid within two years; the second within three years; the third within four years; the fourth within five years; the fifth within six years, and the sixth within seven years, after the exchange of the ratifications of this Act. Interest at the rate of *5 per centum per annum* shall

† *Hertslet* notes that the map was not published, Article III of the treaty having been suppressed by the terms of the convention of November 8, 1895 (No. 1895/10, *post*).

begin to run on all unpaid portions of the said indemnity from the date the first installment falls due.

China shall, however, have the right to pay by anticipation at any time any or all of said installments. In case the whole amount of the said indemnity is paid within three years after the exchange of the ratifications of the present Act, all interest shall be waived and the interest for two years and a half or for any less period if then already paid, shall be included as a part of the principal amount of the indemnity.

ARTICLE V.—**Inhabitants of ceded territory.**—The inhabitants of the territory ceded to Japan, who wish to take up their residence outside the ceded districts shall be at liberty to sell their real property and retire.

For this purpose a period of two years from the date of the exchange of the ratifications of the present Act, shall be granted. At the expiration of that period those of the inhabitants who shall not have left such territories shall at the option of Japan, be deemed to be Japanese subjects.

Each of the two Governments shall immediately upon the exchange of the ratifications of the present Act, send one or more Commissioners to Formosa to effect a final transfer of that Province and within the space of two months after the exchange of the ratifications of this Act, such transfer shall be completed.

ARTICLE VI.—**Treaty of commerce and navigation to be negotiated.**—All treaties between China and Japan having come to an end in consequence of war, China engages immediately upon the exchange of the ratifications of this Act, to appoint Plenipotentiaries to conclude, with the Japanese Plenipotentiaries, a Treaty of Commerce and Navigation ‡ and a Convention to regulate Frontier Intercourse and Trade. The Treaties, Conventions, and Regulations now subsisting between China and European Powers shall serve as a basis for the said Treaty and Convention between China and Japan. From the date of the exchange of the ratifications of this Act until the said Treaty and Convention are brought into actual operation, the Japanese Government; its officials; commerce; navigation; frontier intercourse and trade; industries; ships, and subjects, shall, in every respect, be accorded by China most-favored-nation treatment.

China makes in addition the following concessions, to take effect six months after the date of the present Act:

1st.—**Opening of new localities in China to trade.**§—The following cities towns, and ports, in addition to those already opened, shall be opened to the trade, residence, industries, and manufactures of Japanese subjects, under the same conditions and with the same privileges and facilities as exist at the present open cities, towns, and ports of China.

(1) Shashih, in the province of Hupeh.
(2) Chungking, in the province of Szechuan.
(3) Suchow, in the province of Kiangsu.
(4) Hang-chow, in the province of Chekiang.

The Japanese Government shall have the right to station Consuls at any or all of the above-named places.

‡ For Treaty of commerce and navigation, concluded July 21, 1896, see No. 1896/4, *post*.

§ In connection with this article, see the protocol concerning Japanese Settlements, etc., October 19, 1896 (No. 1896/6, *post*), and attached note giving the agreement for the establishment of a Japanese settlement at Shashi, August 18, 1898, at p. 92, *post*.

2nd.—**Navigation on Chinese inland waters.**—Steam navigation for vessels under the Japanese flag for the conveyance of passengers and cargo shall be extended to the following places:

(1) On the upper Yangtsze River, from I-chang to Chung-king.

(2) On the Woo-sung River and the Canal, from Shanghai to Su-chow and Hang-chow. The Rules and Regulations which now govern the navigation of the inland waters of China by foreign vessels shall, so far as applicable, be enforced in respect of the above-named routes until new Rules and Regulations are conjointly agreed to.

3rd.—**Renting warehouses.**—Japanese subjects purchasing goods or produce in the interior of China or transporting imported merchandise into the interior of China, shall have the right temporarily to rent or hire warehouses for the storage of the articles so purchased or transported, without the payment of any taxes or exactions whatever.

4th.—**Right to manufacture in open localities.**—Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery paying only the stipulated duties thereon.

All articles manufactured by Japanese subjects in China, shall in respect of inland transit and internal taxes, duties, charges and exactions of all kinds and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China.

In the event additional Rules and Regulations are necessary in connection with these concessions, they shall be embodied in the Treaty of Commerce and Navigation provided for by this Article.

ARTICLE VII.—**Evacuation of China.**—Subject to the provisions of the next succeeding Article, the evacuation of China by the armies of Japan, shall be completely effected within three months after the exchange of the ratifications of the present Act.

ARTICLE VIII.—**Temporary military occupation of Wei-hai-wei. Its evacuation.**—As a guarantee of the faithful performance of the stipulations of this Act, China consents to the temporary occupation by the military forces of Japan, of Wei-hai-wei in the Province of Shantung.

Upon the payment of the first two installments of the war indemnity herein stipulated for and the exchange of the ratifications of the Treaty of Commerce and Navigation, the said place shall be evacuated by the Japanese forces, provided the Chinese Government consent to pledge, under suitable and sufficient arrangements, the Customs Revenue of China as a security for the payment of the principal and interest of the remaining installments of said indemnity. In the event no such arrangements are concluded, such evacuation shall only take place upon the payment of the final installment of said indemnity.

It is, however, expressly understood that no such evacuation shall take place until after the exchange of the ratifications of the Treaty of Commerce and Navigation.

ARTICLE IX.—**Prisoners of war.**—Immediately upon the exchange of the

ratifications of this Act, all prisoners of war then held shall be restored and China undertakes not to ill-treat or punish prisoners of war so restored to her by Japan. China also engages to at once release all Japanese subjects accused of being military spies or charged with any other military offenses. China further engages not to punish in any manner nor to allow to be punished, those Chinese subjects who have in any manner been compromised in their relations with the Japanese army during the war.

ARTICLE X.—**Cessation of military operations.**—All offensive military operations shall cease upon the exchange of the ratifications of this Act.

ARTICLE XI.—The present Act shall be ratified by their Majesties the Emperor of China and the Emperor of Japan, and the ratifications shall be exchanged at Chefoo, on the 14th day of the 4th month of the 21st year of Kwang Hsü, corresponding to the 8th day of the 5th month of the 28th year of Meiji. (May 8th, 1895.) ||

In witness whereof, the respective Plenipotentiaries have signed the same and have affixed thereto the seal of their arms.

Done at Shimonoseki, in duplicate, this 23d day of the 3d month of the 21st year of Kwang Hsü, corresponding to the 17th day of the 4th month of the 28th year of Meiji. (April 17th, 1895.)

LI HUNG CHANG. [L. S.]
Plenipotentiary of His Majesty the Emperor of China, Senior Tutor of the Heir Apparent, Senior Grand Secretary of State, Minister Superintendent of Trade for the North Ports of China, Viceroy of the Province of Chihli, and Earl of the First Rank.

LI CHING FONG.
Plenipotentiary of His Majesty the Emperor of China, Ex-Minister of the Diplomatic Service, of the Second Official Rank.

COUNT ITO HIROBUMI. [L. S.]
Junii, Grand Cross of the Imperial Order of Paullownia, Minister President of State, Plenipotentiary of His Majesty the Emperor of Japan.

VISCOUNT MUTSU MUNEMITSU. [L. S.]
Junii, First Class of the Imperial Order of the Sacred Treasure, Minister of State for Foreign Affairs, Plenipotentiary of His Majesty the Emperor of Japan.

SEPARATE ARTICLES.

ARTICLE I.—**Military force to occupy Wei-hai-wei.**—The Japanese military forces which are, under Article VIII of the treaty of peace signed this day, to temporarily occupy Wei-hai-wei, shall not exceed one Brigade and from the date of the exchange of the ratifications of the said treaty of peace, China shall pay

|| Ratifications exchanged at Chefoo, May 8, 1895.

annually, one-fourth of the amount of the expenses of such temporary occupation that is to say, at the rate of 500,000 Kuping Taels per annum.

ARTICLE II.—**Territory occupied at Wei-hai-wei.**—The territory temporarily occupied at Wei-hai-wei shall comprise the island of Liu-kung and a belt of land 5 Japanese Ri wide along the entire coast line of the Bay of Wei-hai-wei.

No Chinese troops shall be permitted to approach or occupy any place within a zone of 5 Japanese Ri wide beyond the boundaries of the occupied territory.

ARTICLE III.—**Chinese to retain civil administration.**—The civil administration of the occupied territory shall remain in the hands of the Chinese Authorities. But such Authorities shall at all times be obliged to conform to the orders which the Commander of the Japanese Army of occupation may deem it necessary to give in the interest of the health, maintenance, safety, distribution or discipline of the Troops.

All military offences committed within the occupied territory shall be subject to the jurisdiction of the Japanese Military Authorities.

The foregoing Separate Articles shall have the same force, value and effect as if they had been, word for word, inserted in the Treaty of Peace signed this day.

In witness whereof, the respective Plenipotentiaries have signed the same and have affixed thereto the seal of their arms.

Done at Shimonoseki, in duplicate, this 23rd day of the third month of the 21st year of Kuang Hsü, corresponding to the 17th day of the 4th month of the 28th year of Meiji. (April 17th, 1895.)

(Signatures (4) and titles, same as in Treaty.)

CONVENTION TO PROLONG ARMISTICE

The undersigned (insert here names and titles of the 2 Chinese Plenipotentiaries, as in Preamble of Treaty) Plenipotentiaries of His Majesty the Emperor of China, and (insert here names and titles of 2 Japanese Plenipotentiaries as in preamble of Treaty) Plenipotentiaries of His Majesty the Emperor of Japan, having concluded a Treaty of Peace, have, in order to provide for the peaceful exchange of the ratifications of said Treaty, agreed upon and signed the following Articles:

I.—**Armistice.**—The Convention of Armistice concluded on the 5th day of the 3rd month of the 21st year of Kwang Hsü, corresponding to the 30th day of the 3d month of the 28 year of Meiji,¶ is prolonged for the period of 21 days from this date.

II.—The armistice, which is prolonged by this Convention, shall terminate, without notice on either side, at midnight on the 14th day of the 4th month of the 21st year of Kwang Hsü, corresponding to the 8th day of the 5th month of the 28th year of Meiji. The rejection in the meantime, however, of the said Treaty of Peace, by either High Contracting Party, shall have the effect of at once terminating this Armistice without previous notice.

¶ See Note 1 to this document, *post*, p. 24.

In witness whereof the Plenipotentiaries of China and Japan have hereunto set their hands and affixed their seal.

Done at Shimonoseki, this 23rd day of the 3rd month of the 21st year of Kuang Hsü, corresponding to the 17th day of the 4th month of the 28th year of Meiji. (April 17th, 1895.)

(Signatures (4) and titles, same as in Treaty.)

Note 1.

In connection with this treaty, see the Convention for the retrocession of the southern portion of Fêngtien, November 8, 1895 (No. 1895/10, *post*). See also the treaty of alliance between Japan and Korea, signed at Seoul, August 26, 1894, of which the following translation is printed in *Rockhill*, p. 429:

Treaty of Alliance between Korea and Japan.—August 26, 1894.

"In view of the fact that on the 25th of July, 1894, the Korean Government entrusted His Imperial Majesty's Envoy Extraordinary and Minister Plenipotentiary at Söul, Korea, with the expulsion, on their behalf, of Chinese soldiers from Korean territory, the Governments of Japan and Korea have been placed in a situation to give mutual assistance both offensive and defensive. Consequently the undersigned Plenipotentiaries, duly authorized by their respective Governments, have, with a view of defining the fact and of securing in the premises concerted action on the part of the two countries, agreed to the following Articles:—

"Article I.—The object of the alliance is to maintain the independence of Korea on a firm footing and to promote the respective interests of both Japan and Korea by expelling Chinese soldiers from Korean territory.

"Article II.—Japan will undertake all warlike operations against China, both offensive and defensive, while Korea will undertake to give every possible facility to Japanese soldiers regarding their movements and supply of provisions.

"Article III.—This treaty shall cease and determine at the conclusion of a treaty of peace with China.

"In witness whereof the Plenipotentiaries of the two countries have signed the treaty and hereunto affixed their seals.

"Done at Söul this 26th day of August, 1894.

"Keisuke Otori,
"*H. I. J. M.'s Envoy Extraordinary and Minister Plenipotentiary.*
"Kim In Shiouku,
"*H. K. M.'s Minister for Foreign Affairs.*"

Note 2.

The English version of this armistice, signed at Shimonoseki, March 30, 1895, is given as follows in *Customs*, Vol. II, p. 599:

Convention of Armistice between Japan and China.—March 30, 1895.

"His Majesty the Emperor of Japan having, in view of the untoward event which temporarily interrupted the depending negotiations for peace, commanded His Plenipotentiaries to consent to a temporary Armistice, the undersigned, Count Ito Hirobumi, Junii, Grand Cross of the Imperial Order of Paullownia, Minister President of State, and Viscount Mutsu Munemitsu, Junii, First Class of the Imperial Order of the Sacred Treasure, Minister of State for Foreign Affairs, the Plenipotentiaries of His Majesty the Emperor of Japan; and Li Hung-chang, Plenipotentiary of His Majesty the Emperor of China, Senior Tutor to the Heir Apparent, Senior Grand Secretary of State, Minister Superintendent of Trade for the Northern Ports of China, Viceroy of the province of Chihli, and Earl of the First Rank, have concluded the following Convention of Armistice:—

"Article I.—The Imperial Governments of Japan and China agree to enforce an Armistice between their respective military and naval forces, in the provinces of Fêngtien, Chihli, and Shantung, subject to the provisions contained in the following Articles.

"Article II.—The forces affected by this Armistice shall have the right to maintain the

positions respectively occupied by them at the time hostilities are actually suspended, but they shall not under any circumstances during the existence of this Armistice advance beyond such positions.

"ARTICLE III.—The two Governments engage during the existence of this Convention not to extend, perfect, or advance their attacking works, or to reinforce or in anywise to strengthen, either for offensive or defensive operations, their confronting military lines. But this engagement shall not prevent either Government from making any new distribution or arrangment of troops not intended to augment or strengthen the armies now actually in the field and engaged in active military operations.

"ARTICLE IV.—The movement of troops and the transportation of military supplies and all other contraband of war by sea shall be subject to the ordinary rules of war, and shall consequently be liable to hostile capture.

"ARTICLE V.—This Armistice shall be enforced by the Imperial Governments of Japan and China for the period of 21 days from the date of the signature of this Convention.

"In those localities occupied by the troops of the two Governments to which there is no telegraphic communication, the quickest possible means shall be employed in issuing the orders for the Armistice, and the respective Commanders of the two countries shall, upon receipt of such orders, announce the fact to each other and take steps to enforce the Armistice.

"ARTICLE VI.—This Armistice shall terminate, without notice on either side, at midday on the 20th day of the 4th month of the 28th year of MEIJI, corresponding to the 26th day of the 3rd month of the 21st year of KUANG HSÜ. If in the meantime the depending negotiations for peace are broken off, this Armistice shall in that case terminate at the same time such negotiations cease.

"In witness whereof the Plenipotentiaries of Japan and China have hereunto set their hands and affixed their seals.

"Done at Shimonoseki, Japan, this 30th day of the 3rd month of the 28th year of MEIJI, corresponding to the 5th day of the 3rd month of the 21st year of KUANG HSÜ.

"COUNT HIROBUMI ITO, [L. S.]
Junii, Grand Cross of the Imperial Order of Paullownia, Minister President of State, Plenipotentiary of His Majesty the Emperor of Japan.

"VISCOUNT MUTSU MUNEMITSU, [L. S]
Junii, First Class of the Imperial Order of the Sacred Treasure, Minister of State for Foreign Affairs, Plenipotentiary of His Majesty the Emperor of Japan.

"LI HUNG-CHANG, [L. S.]
Plenipotentiary of His Majesty the Emperor of China, Senior Tutor to the Heir Apparent, Senior Grand Secretay of State, Minister Superintendent of Trade for the Northern Ports of China, Viceroy of the province of Chihli, and Earl of the First Rank."

NUMBER 1895/4.

FRANCE AND CHINA.

Convention complementary to the Convention for the delimitation of the frontier between Tonkin and China, of June 26, 1887.—June 20, 1895.*

The Commissioners named by the two Governments to establish the last portion of the frontier between China and Tonkin (from the Red River to the Mékong), having terminated their labors,—

Mr. Auguste Gérard, Minister Plenipotentiary, Envoy Extraordinary of the French Republic in China, Officer of the Legion of Honor, Grand-Cross of the Order of the Independence of Montenegro, Grand Officer of the Royal Order of Charles III of Spain, Grand Officer of the Royal Order of the Crown of Italy, etc., of the one part; and

His Highness Prince Ch'ing, Prince of the First Rank, President of the Tsungli-Yamen, etc.; and His Excellency Siu Yong-yi, Member of the Tsungli-Yamen and of the Grand Council of the Empire, Vice-President (Left-hand) of the Ministry of the Interior, etc., of the other part;

Acting in the name of their respective Governments, and to that end possessing full powers which they have, on communicating them, found to be in good and due form, have decided to set down in the present document the following provisions with a view to rectifying and completing the Convention signed at Peking, June 26th, 1887,† the minutes and the maps that have been drawn up and signed by the French and Chinese Commissioners being now and hereafter approved.

ARTICLE I.—The course of the frontier between Yunnan and Annam (map, second section), from point *R* to point *S*, is modified as follows:—The frontier line leaves point *R*, runs north-eastward to Man-mei, then from Man-mei in a west-and-east direction to Nan-na on the Ts'ing-chouei-ho, leaving Man-mei to Annam, and the territories of Mong-t'ong-chang-ts'ouen, Mong-t'ong-chan, Mong-t'ong-tchong-ts'ouen, and Mong-t'ong-hia-ts'ouen to China.

ARTICLE II.—The course of the fifth section, between Long-po-tchai and the Black River, is modified as follows:—From Long-po-tchai (fifth section), the common frontier of Yunnan and Annam runs up the course of the Long-po-ho, to its confluence with the Hong-yai-ho, at the point marked *A* on the map. From point *A*, it follows a generally north-north-westerly direction and the watershed, to the point where the P'ing-ho takes its source. From that point the frontier

* Translation from French text as printed in *Hertslet*, p. 321. French text printed also in *Customs*, Vol. I, p. 942; *Reinach*, p. 328.

In connection with this convention, see also the Anglo-Chinese Convention relative to Burmah, March 1, 1894 (No. 1894/1, *ante*), particularly Article 5; Anglo-Chinese agreement of February 4, 1897 (No. 1897/1, *post*); and Anglo-French declaration of January 15, 1896 (No. 1896/1, *post*), particularly Article 4.

† For the text of that convention, see *Hertslet*, p. 314.

follows the course of the P'ing-ho, then that of the Mou-k'i-ho to its confluence with the Ta-pao-ho, which it follows to its confluence with the Nan-kong-ho, then the course of the Nan-kong-ho to its confluence with the Non-na-ho. The frontier then follows up the course of the Pa-pao-ho to its confluence with the Kouang-sse-ho, then the course of the Kouang-sse-ho, and follows the watershed to the confluence of the Nam-la-pi and the Nam-la-ho, and lastly the Nam-la-ho to its confluence with the Black River, then the middle of the Black River to the Nam-nap or Nan-ma-ho.

ARTICLE III.—The common frontier of Yunnan and Annam, between the Black River (at its confluence with the Nam-nap) and the Mékong, is laid down as follows:—From the confluence of the Black River and the Nam-nap, the frontier follows the course of the Nam-nap to its source, then in a south-westerly and westerly direction the watershed to the sources of the Nam-kang and the Nam-wou. From the sources of the Nam-wou the frontier follows the watershed between the basin of the Nam-wou and the basin of the Nam-la, leaving to China, on the west, Ban-noi, I-pang, I-wou, and the Six Tea Mountains, and to Annam, on the east, Mong-wou, Wou-te, and the Confederation of the Hua-panh-ha-tang-hoc. The frontier follows a north-and-south direction, south-east to the sources of the Nan-nuo-ho, then in a north-north-easterly direction along the watershed it skirts the valleys of the Nam-ouo-ho and the left-hand affluents of the Nam-la, to the confluence of the Mékong and the Nam-la, north-west of Muong-poung. The territory of Muong-mang and of Muong jouen is left to China. As for the territory of the Eight Salt Springs (Pa-fa-tchai), it remains assigned to Annam.

ARTICLE IV.—The agents, commissioners or authorities designated by the two Governments will be entrusted with the running of the boundary-line, in conformity with the maps drawn up and signed by the Delimitation Commission, and with the above line.

ARTICLE V.—The provisions concerning delimitation, between France and China, not modified by the present document, remain in full force.

The present Complementary Convention, as also the Delimitation Convention of June 26, 1887, will be ratified forthwith by His Majesty the Emperor of China, and after it has been ratified by the President of the French Republic, the exchange of ratifications will take place at Peking with as little delay as possible.‡

Done at Peking in four copies, June 20, 1895, corresponding to the 28th day of the 5th month of the 21st year of Kuang Hsü.

[L. S.]	(Sgd.)	A. GÉRARD
[L. S.]	(Sgd.)	CH'ING.
[L. S.]	(Sgd.)	SIU.

‡ Ratifications exchanged at Peking, August 7, 1896.

NUMBER 1895/5.

FRANCE AND CHINA.

Additional Convention to the Supplementary Commercial Convention of June 26, 1887.—June 20, 1895.*

The President of the French Republic and His Majesty the Emperor of China, being desirous of encouraging and extending along the Sino-Annamite frontier, henceforth defined as far as the Mekong,† the extension of commercial relations between the two countries and of insuring the execution of the treaty of commerce signed at Tientsin, April 25, 1886, as well as of the Supplementary Convention, signed at Peking, June 26, 1887, have decided to conclude an Additional Convention, containing several new provisions and modifying certain of the provisions included in the previous documents.

For this purpose the two High Contracting Parties have named as their respective Plenipotentiaries, to wit:

The President of the French Republic, M. Auguste Gérard, Minister Plenipotentiary, Envoy Extraordinary of the French Republic in China, Officer of the Legion of Honor, etc., etc., and His Majesty the Emperor of China, His Highness Prince K'ing, Prince of the first rank, President of the Tsung-li Yamen, etc., etc., and His Excellency Hsü Yung-i, member of the Tsung-li Yamen and of the Grand Council of the Empire, etc., etc.

Who having communicated their full powers, which have been recognized as in good and due form, have agreed on the following articles:

ARTICLE I.—**Consular agent at Tong-hing.**—It is agreed, so as to insure the policing of the frontier, that the French Government will have the right of maintaining an agent of the Consular order at Tong-hing opposite Monkay on the frontier of Kwang-tung.

A further regulation will determine the conditions under which should be exercised, by agreement between the French and Chinese authorities, the mutual police of the Sino-Annamite frontier.‡

ARTICLE II.—**Lung-chou, Mëng-tse, and Hok'ou opened to trade.**—Article II of the Additional Convention, signed at Peking, June 26th, 1887, is modified and completed as follows:

It is agreed between the High Contracting Parties that the town of Lung-chou in Kwang-si and that of Mêng-tse in Yün-nan are open to Franco-Annamite commerce. It is furthermore understood that the locality open to commerce on the river route of Lao-kay to Mêng-tse will no longer be Man-hao, but Ho-k'ou,

* Translation, as given in *Rockhill*, p. 21, from the French text as printed in *Doc. Dipl., Chine*, 1894-1898, p. 16. Printed also in *B. & F. State Papers*, vol. 87, p. 525; *Customs*, Vol. I, p. 937; *Hertslet*, p. 323; *Recueil*, p. 19; *Reinach*, p. 331.

† This was done by the complementary convention of June 20, 1895, to the Convention for the boundary delimitation between Tongking and China, signed June 26, 1887 (No. 1895/4, *ante*.)

‡ See Note 1 to this document, *post*, p. 32.

and that the French Government shall have the right of maintaining at Ho-k'ou an Agent under the Consul at Mêng-tse, at the same time the Chinese Government will keep a Customs agent there.

ARTICLE III.—**Ssu-mao opened to trade.**—It is agreed that the town of Ssu-mao in Yün-nan shall be open to Franco-Annamite commerce, like Lung-chou and Mêng-tse, and that the French Government will have the right, as in the other open ports, of maintaining a Consul there, at the same time the Chinese Government can keep a Customs agent.

The local authorities will exert themselves to facilitate the installation of the French Consul in a suitable residence.

Frenchmen and French protégés may establish themselves at Ssu-mao under conditions provided for by Articles VII, X, XI, XII, and others of the Treaty of June 27, 1858; as well as by Article III of the Convention of April 25, 1886. Goods destined for China can be transported by the rivers, particularly the Lo-so and the Mekong as well as by land routes, and particularly by the official road, leading either from Mong-lê, or from I-pang to Ssu-mao and P'u-erh, the duties which these goods will be subject to being paid at Ssu-mao.

ARTICLE IV.—**Transit of goods across Chinese-Annam frontier. Regulations.**—Article IX of the Commercial Convention of April 25, 1886, is modified as follows:—

(1) Chinese goods in transit from one or the other of the four towns open to commerce on the frontier, Lung-chou, Mêng-tse, Ssu-mao and Ho-k'ou, in passing through Annam, will pay, on leaving, duties reduced by four-tenths. A special certificate will be delivered setting forth the payment of this duty, and destined to accompany the goods. When they have come to the other town, they shall be exempt from the payment of import duty.

(2) Chinese goods exported from the four above-named localities and transported to Chinese maritime or river ports, open to commerce, shall pay on passing the frontier export duty reduced by four-tenths. A special certificate will be delivered setting forth the payment of this duty, and destined to accompany the goods. When they shall arrive at one of the maritime or river ports open to commerce, they shall pay the half re-importation duty in conformity with the general rule for all goods of like nature in the maritime or river ports open to commerce.

(3) Chinese goods transported from Chinese maritime or river ports open to commerce, by way of Annam, towards the four above named localities, shall pay on crossing (the frontier) full duty. A special certificate will be delivered, setting forth the payment of this duty, and destined to accompany the goods. When they shall arrive at one of the frontier customs stations they shall pay on entry half re-importation duty based on the reduction by four-tenths.

(4) The above mentioned Chinese goods, when accompanied by the special certificate above mentioned, shall, before passing through the customs on exportation, or after passing through the customs on re-importation, be subject to the regulations governing native Chinese goods.

ARTICLE V.—**Mining in Yünnan, Kwang-si, and Kwang-tung.**§—It is un-

§ See Note 2 to this document, *post*, p. 34.

derstood that China, for the exploitation of its mines in the provinces of Yün-nan, Kwang-si, and Kwang-tung, may call upon, in the first instance, French manufacturers and engineers, the exploitation remaining nevertheless subject to the rules proclaimed by the Imperial Government as regarding national industries.

It is agreed that railways either those already in existence, or those projected in Annam may, after mutual agreement, and under conditions to be defined, be continued on Chinese territory.

ARTICLE VI.—**Extension of telegraph lines.**—Article II of the Telegraphic Convention between France and China, signed at Chefoo, December 1, 1888, is completed as follows:—

D.—A junction shall be made between the Secondary Prefecture of Ssu-mao and Annam by two stations, which shall be Ssu-mao in China and Muang-ha-hin (Muong-ngay-neua) in Annam, midway between Lai-chou and Luang Prabang.

The tariff shall be fixed in conformity with Article VI of the Telegraphic Convention of Chefoo.

ARTICLE VII.—**Provisions of Convention not to extend beyond localities named.**—It is agreed that the commercial stipulations contained in the present Convention being of a special nature, the result of mutual concessions resulting from the needs of the relations between Lung-chou, Ho-k'ou, Mêng-tse, Ssu-mao, and Annam, the benefits resulting therefrom shall not be appealed to by the subjects and the protegés of the two High Contracting Parties except at the localities as well as on the river and land routes of the frontier here set forth.

ARTICLE VIII.—The present stipulations shall come into force as if they were inserted in the text of the Additional Convention of June 26, 1887.

ARTICLE IX.—**Former treaties remain in force.**—The terms of former Treaties, Agreements and Conventions between France and China, not modified by the present Treaty shall remain in full force.

The present Complementary Convention shall be ratified at once by His Majesty the Emperor of China, and after it shall have been ratified by the President of the French Republic, the exchange of ratifications shall take place at Peking with the least delay possible.

Done at Peking in four copies 20th June 1895, corresponding to the 28th day of the 5th moon of the 21st year Kwang-hsü.

(Signed) A. GÉRARD.
(Signed) CHING.
(Signed) HSÜ.

Identic Note Explanatory of the Provisions of the Commercial Convention between France and China of June 20, 1895, and of the Railway Contract of June 5, 1896.||

THE TSUNG-LI YAMEN TO MR. GÉRARD, MINISTER OF THE FRENCH REPUBLIC AT PEKING.

13TH DAY, 5TH MOON, 23D YEAR KUANG-HSU (12 June 1897).

The Imperial Government of China and the Government of the French Republic, animated with a mutual and equal desire to facilitate and develop, in conformity with treaties and conventions, and as evidence of their feelings of concord, neighborly and commercial relations between China and Annam, have striven by an interchange of views and an agreement between our Yamen and the Legation of the Republic, to define more precisely and clearly the carrying out of certain provisions of the convention made between China and France.

With this object in view, our Yamen and the Legation of the Republic have agreed on the three following formulas:

1°. It is understood that in compliance with Article V of the Commercial Convention of June 20, 1895, as well as the contract of June 5, 1896, between the Compagnie de Fives-Lille and the official Administration of the Dong-dang and Lung-chou Railroad, and the despatches exchanged the 2d and 25th June of the same year between our Yamen and the Legation of the Republic, if the Compagnie de Fives-Lille has satisfactorily succeeded, and as soon as the line from Dong-dang to Lung-chou shall be finished, a request will of necessity be made it to continue the said line in the direction of Nan-ning and Pe-se.

2°. It is understood, in compliance with Article V of the Complementary Commercial Convention of June 20, 1895, that in the three southern border provinces, Kuang-tung, Kuang-si and Yün-nan, the Chinese Government may call upon French engineers and manufacturers for working mines.

3°. It is understood that China shall undertake works for the improvement of navigation on the upper Red River, and that in the interest of commerce she will grade and improve the route from Ho-k'ou to Man-hao and Meng-tse as far as the provincial capital. It is understood furthermore that the right will be conceded to construct a railway communication between the Annam frontier and the provincial capital, either by way of the Pe-se river region, or by that of the upper Red River; the (preliminary) studies and the carrying out by China to be done gradually.

These formulas are incorporated in the present exchange of despatches as evidence. Our Yamen and the Legation of the Republic, faithful interpreters of the mutual opinion of the two Governments, agree that these formulas are intended to define certain provisions of the conventions previously concluded be-

|| Translation. *Documents Diplomatiques, Chine,* 1894-1898, p. 39. An identic note bearing the same date was sent to the Tsung-li Yamen by Mr. Gerard. See *ibid.*, p. 38.

tween the two Governments, and to insure their effectual carrying out in a spirit of mutual confidence and good will, and in the equal interest of the two countries.

(Follow the signatures of the President and the Members of the Tsung-li Yamen.)

Note 1.

The Regulations for the carrying out of a mixed police service on the Sino-Annamite frontier, of which a translation follows, were agreed upon between the Tsung-li Yamen and the French Legation at Peking, May 7, 1896:

Regulations for Mixed Police on Sino-Annamite Frontier.—May 7, 1896.

"SECTION 1.—*Mixed Commissions for the policing of the Sino-Annamite frontier.*

"ARTICLE I.—The whole of the Sino-Annamite frontier is divided, for the purposes of the mixed police service to be maintained by the Chinese Government and the Government of the Protectorate of Annam, into three sections, as follows:

1st section: The frontier between the Province of Kwangtung, and Annam;
2nd section: The frontier between the Province of Kwangsi, and Annam;
3rd section: The frontier between the Province of Yunnan, and Annam.

"ARTICLE II.—In each of the sections of frontier specified in the preceding article, the police service is directed by a Mixed Commission composed of one French Commissioner and one Chinese Commissioner.

"ARTICLE III.—The French Commissioner has authority over the officers and functionaries of the region of Annam corresponding to the section of frontier placed under his supervision, in so far as concerns the carrying out of the police service. He is directly subordinate to the Governor General of Indo-China.

"The Chinese Commissioner has authority over the officers and functionaries of the Chinese Province corresponding to the section of frontier placed under his supervision, in so far as concerns the carrying out of the police service. He is directly subordinate to the Viceroy and the Governor of the province.

"ARTICLE IV.—The places of residence of the French Commissioners are as follows:

1st frontier section: Moncay;
2nd frontier section: Langson;
3rd frontier section: Laokay.

"The places of residence of the Chinese Commissioners are as follows:

1st frontier section: Tong-hing;
2nd frontier section: P'ing-siang;
3rd frontier section: Ho-k'eou.

"ARTICLE V.—The residences of the French and Chinese Commissioners who constitute a single Mixed Commission will be connected by a telephone or telegraph line.

"SECTION 2.—*Means of policing the frontier.*

"ARTICLE VI.—The policing of the frontier is carried out by means of double military posts made up of the regular troops of the two countries.

"ARTICLE VII.—Each double military post comprises a French post and a Chinese post, situated on either side of the frontier, upon the same route (*voie de pénétration*).

"In places where the configuration of the country is such as not to permit of the establishment of encampments, they may be so established as to confront each other at some distance to the one side or the other (*pourront être établis de façon à se faire face de plus loin sur le côté, à droite ou à gauche*), taking care always that they should be within sight of each other and in cooperation.

"ARTICLE VIII.—Each French or Chinese military post comprises an effective minimum of thirty regular soldiers under arms. It is commanded by an officer.

"ARTICLE IX.—At each double military post, the French and the Chinese post will as soon as possible be connected by a telephone or telegraph line.

"ARTICLE X.—The double military posts are established at the following passages:

1st. Moncay, Tong-hing;
2nd. Pac-si, Li-tsie (Ly-tien);

3rd. Hoang-mo, Leng-tong (Lang-dong);
4th. Chi-ma, Che-ma (Chi-ma);
5th. Dong-dang, Nan-kouan (Nam-quan);
6th. Bi-nhi, P'ing-eul (Bi-nhi);
7th. Na-lan, Pou-kiu (Bocup);
8th. Ta-lung, Chouei-k'eou-kouan (Thuy-kau);
9th. Ly-ban, Li-pan (Ly-pan);
10th. Soc-giang, P'ing-meng (Binh-mang).

"ARTICLE XI.—The number and the situation of double military posts, as provided in the preceding article, may be altered by mutual agreement, after previous consultation between the French Government and the Chinese Government. They will remain for the time being undetermined, on the frontier of Yunnan.

"SECTION 3.—*Carrying out of the police service on the frontier.*

"ARTICLE XII.—In conformity with the provisions of the treaty concluded at Tientsin between France and China, June 9, 1885, Frenchmen or French protégés and foreign residents of Tonkin who should wish to cross the frontier in order to visit China may do so only after having first provided themselves with passports delivered by the Chinese frontier authorities upon the request of the French authorities. For Chinese subjects, an authorization delivered by the imperial frontier authorities will suffice.

"The Chinese subjects who may desire to go from China into Tonkin by land must be provided with regular passports delivered by the French authorities upon the request of the imperial authorities.

"ARTICLE XIII.—The only points of passage authorized for the people (*ressortissants*) of the two countries are, without exception, pending further regulations, the ten passages provided in Article X of the present Regulations.

"The authorizations and passports must bear an indication of the passages by which their holders are authorized to cross the frontier.

"ARTICLE XIV.—On passing the double military posts, the authorizations and passports will be visaed by the commander of the French post, and examined by the commander of the Chinese post, to whom they must be presented.

"ARTICLE XV.—In derogation from Articles XII, XIII and XIV of the present Regulations, permanent authorizations for crossing the frontier may be granted, by arrangement between the local authoritites of the two countries and the commanders of the double military posts, to the people (*ressortissants*) of the two countries and to the foreign residents of Tonkin who, by the requirements of their profession or trade, or of an agricultural enterprise, are obliged to stay on one and the other side of the frontier alternately.

"ARTICLE XVI.—The permanent authorizations provided for in the preceding article will be renewable annually, from the 1st to the 10th of January of the French year, but notice to that effect must be given a month in advance to the Chinese authorities, who will inform those concerned.

"ARTICLE XVII.—The permanent authorizations must be registered by the authorities of the two countries who may have delivered them, and they will report them to the Commissioner of their nationality in order that he may keep a record of them in his archives.

"SECTION 4.—*Carrying out of the police service with respect to gatherings of armed bands.*

"ARTICLE XVIII.—Whenever gatherings of pirates may be reported on the territory of Annam, the commander of the French post that may be informed of it must, at each double military post, immediately warn the commander of the Chinese post and the French commissioner in charge of the frontier section in which his post is situated.

"ARTICLE XIX.—Whenever gatherings of pirates may be reported on the territory of China, the commander of the Chinese post that may be informed of it must, at each double military post, immediately warn the commander of the French post and the Chinese Commissioner in charge of the frontier section in which his post is situated.

"ARTICLE XX.—The two Commissioners, after a mutual understanding, will each in what concerns him give the necessary orders in regard to the police measures to be taken against the gatherings reported.

"In each double military post, the commander of the French post and the commander of the Chinese post must communicate to each other the instructions or orders received from the members of the Mixed Commission.

"ARTICLE XXI.—In cases of emergency, the commander of the French post and the commander of the Chinese post, at each double military post, will arrange between themselves for the police measures to be taken and will report these measures to their respective Commissioners.

"ARTICLE XXII.—If pirates, pursued by French troops in Annam, cross the frontier and pass into Chinese territory, word thereof will be given by the near-by French military post to the Chinese military post, or by the commander of the French troops engaged to

the Chinese military chief in the neighborhood, in order that the pursuit may be continued without delay by the Chinese troops, and the pirates be captured.

"In case pirates should cross the frontier in order to pass from China into Annam, the Chinese frontier posts or the Commanders of the Chinese troops engaged would be under the obligation to give notice thereof as soon as possible to the near-by French frontier posts or the Commanders of the French troops in the neighborhood, in order that the pursuit might be continued without delay by the French troops, and the pirates be captured.

"Any negligence or any delay occurring in the pursuit which should thus be continued, or in the notice to be given, will immediately involve the responsibility of the officers in command of the posts or of the troops, and will make them liable to severe penalties. The punishment inflicted will be made known to the Commissioner of the other country belonging to the Mixed Commission concerned.

"SECTION 5.—*Responsibility of the Commissioners and of the Commanders of the Double Military Posts.*

"ARTICLE XXIII.—The French and the Chinese Commissioners, belonging to a Mixed Commission, who shall not have conformed to the provisions of the present Regulations affecting them, will be the subject of investigations made on either part by the high officials of the two countries, who will determine the responsibilities incurred. When the penalty inflicted by one of the Governments shall have been made known to the other, each will act according to its own laws.

"ARTICLE XXIV.—The commanders of the French or of the Chinese post at double military posts, or the commanders of French or of Chinese troops, who shall not have conformed to the provisions of the present Regulations affecting them, will be the subject of investigations made on either part by the two Commissioners, French and Chinese, belonging to the Mixed Commission charged with the supervision of the frontier section concerned. Each will adjudge the penalty incurred, according to the laws of his own country, and will make it known to the Commissioner of the other country belonging to the Mixed Commission concerned.

"SECTION 6.—*Carrying out of the police service in the Archipelago of Tonkin.*

"ARTICLE XXV.—Every boat or launch manned by a crew composed of Chinese, and sailing in the waters of Annam, must be provided with a permit delivered and visaed by the French authorities, either administrative or consular, or by the Chinese Maritime Customs or the local Chinese authorities, of the point of departure.

"This permit will state the composition of the crew, the nature of the cargo, and the point for which the vessel is bound.

"The boats of near-by villages coming to markets or fairs, or serving as ferries, which it would be difficult to hold to making an exact statement of the persons aboard them, must receive passports delivered by the local authorities, on the responsibility of the latter, permitting them to sail. The persons and the goods aboard them must be exempted from minute and itemized declarations.

"ARTICLE XXVI.—The sailing permit must be presented upon every request by a French war-vessel or by a customs vessel of the Protectorate.

"ARTICLE XXVII.—The request provided for in the preceding article will be signified by a blank gun or cannon shot, followed, if necessary, by a second shot.

"Any boat which should not obey the request signified as prescribed above would subject itself to being considered a pirate vessel and treated as such.

"ARTICLE XXVIII.—Every boat or launch manned by a crew composed of Chinese, presenting itself at a point on the coast of Annam, must present for the visa of the customs or administrative authorities the sailing permit provided for by Article XXV of the present Regulations."

See also the Arrangement for the maintenance of order on the Sino-Annamite frontier, April 13, 1915, between the Wai Chiao Pu and the French Minister acting in behalf of the Government of Indo-China (No. 1915/4, *post*), which replaced a similar arrangement of January 4, 1909, between the authorities of China and of Indo-China.

Note 2.

Under date of September 26, 1914, the Chinese Minister for Foreign Affairs (Mr. Sun Pao-ki) addressed to the French Minister in Peking (Mr. Conty) a letter of which the translation is thus given in the *F. E. Review*, vol. 13, p. 455:

Note regarding Preference to French Nationals in Yunnan and Kwangsi.—September 26, 1914.

"Since there has been disorder on the border of Yunnan and Kwangsi, which has led to misunderstandings, both sides have appointed deputies to investigate and make arrange-

ments for the pacification of the locality. Several replies have been sent to Your Excellency, in response to your requests for action to be taken, which we trust have been satisfactory. Now our Government wishes to show in an especial way its friendly intentions. In future if railway or mining enterprises are to be undertaken in the province of Kwangsi, in which foreign capital is required, an offer will first be made to French capitalists. At such a time the higher officials of Kwangsi will ascertain the facts and carry on negotiations with the French Minister. A report will then be made to the Government, which will make a final decision.

"With compliments," etc.

See also the identic notes of June 12, 1897, appended to the text of this convention.

NUMBER 1895/6.

FRANCE AND RUSSIA (Franco-Russian Syndicate) AND CHINA.

Contract for the Chinese four per cent Gold Loan of 1895.—July 6, 1895.*

Between the undersigned:

His Excellency Shu King-chen, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of China, acting with full powers from the Imperial Government of China and duly authorized by a decree of His Majesty the Emperor of China, dated Peking, . . .,—of the one part; and a Syndicate consisting of M. M. Hottinguer & Cie., Paris; La Banque de Paris et des Pays-Bas, Paris; Le Crédit Lyonnais, Paris; La Société Générale pour favoriser le Développement du Commerce et de l'Industrie en France, Paris; Le Comptoir National d'Escompte de Paris, Paris; La Société Générale de Crédit Industriel et Commercial, Paris; La Banque Internationale de Commerce à St.-Pétersbourg, St. Petersburg; La Banque d'Escompte de St.-Pétersbourg, St. Petersburg; La Banque Russe pour le Commerce Etranger, St. Petersburg; and La Banque de Commerce de Volga-Kama, St. Petersburg,—of the other part,—

It has been agreed as follows:

1.—By virtue of an edict of His Majesty the Emperor of China, the Imperial Government of China will proceed to issue a 4% Gold Loan for a nominal amount of francs 400,000,000 = marks 323,200,000 = pounds 15,820,000 = Netherland florins 191,200,000 = gold roubles 100,000,000.

This loan will be entitled the "Chinese 4% Gold Loan of 1895" (*i. e., Emprunt Chinois 4% Or 1895*), and as to capital and interest will be issued in francs, pounds sterling, reichmarks, Netherland florins, and gold roubles, on the basis of frs. 500 = mk. 404 = £19/15/6 = fl. 239 = g. rs. 125.

2.—By an edict of July 1, 1895 (New Style), His Majesty the Emperor of China legalizes the Chinese 4% Gold Loan of 1895, and has duly authorized his Minister Plenipotentiary at St. Petersburg to conclude and sign the conditions of the loan as stipulated in the following articles.

* Translation from the French text. In connection with this contract, see also the Protocol of exchange of declarations, between Russia and China, concerning this loan, July 6, 1895 (No. 1895/7, *post*), and the simultaneous Contract of guarantee of the loan by the Russian Ministry of Finance (printed in the note thereto, p. 42, *post*).

There shall be drawn up a general bond for the whole of the Chinese 4% Gold Loan of 1895, to which will be affixed the legal Chinese signatures. This bond will be turned over to the Banque Internationale de Commerce à St.-Pétersbourg, and each contracting party will receive a copy thereof authenticated by the Imperial Chinese Legation at St. Petersburg. After the complete amortization of the loan, the original will be returned to the Imperial Government of China.

3.—On the basis of this general bond, there will be certificates issued for the new loan, divided into 500,000 sets of one bond each, 55,000 sets of five bonds each, and 1,000 sets of twenty-five bonds each—each bond being for frs. 500 = mk. 404 = £19/15/6 = fl. 239 = g. rs. 125.

The certificates for the new loan will be to bearer, and their text will be drawn up in French, English and Russian.

4.—The bonds of the present loan will bear interest at 4% per annum upon the nominal principal.

Interest will run from July 1, 1895 (New Style), and will be payable semi-annually, to wit, on January 1 and July 1 (New Style) each year.

The loan will be amortized in 36 years, at the furthest, beginning with 1896, by means of drawings by lot, which will take place at the Banque Internationale de Commerce à St.-Pétersbourg in the presence of a delegate of the Chinese Legation, in the month of March, each year, beginning with March, 1896—the date of the first drawing.

There shall be devoted to amortization, each year, 1.288,688% of the nominal amount of the loan, plus 4% of the nominal amount of the bonds already amortized.

The bonds drawn by lot will be paid, beginning with the 1st of July next following, upon the return of the bonds together with their stubs and all the coupons falling due after the time for repayment. The amount of missing coupons will be deducted from the principal to be repaid. The numbers of the bonds drawn at each drawing will be duly published, and will be made the subject of a special list to which will be appended a detailed specification of such bonds as may have been drawn at previous drawings and not yet presented for repayment.

These publications will be made at the expense of the Imperial Government of China, in the Russian newspapers, in two newspapers in Paris, two in Berlin, one in London, one in Amsterdam, one in Frankfurt-on-Main, one in Brussels, and one in Geneva.

Until January 1, 1910, the amortization may not be increased; and until that date, nothing may be done towards converting or repaying the present loan.

5.—The service of the bonds will take place, at the option of the holders, at Paris, Brussels and Geneva, in francs; at Berlin and Frankfurt-on-Main, in reichmarks; at London, in pounds sterling; at Amsterdam, in Netherland florins; at St. Petersburg, in gold roubles (in accordance with the Monetary Law of December 17/29th, 1885),—all at the equivalents mentioned in Article 1.

6.—The bonds and coupons of the present loan will be forever exempt from

all present or future Chinese tax, as well as from any other levy on the part of China.

7.—Upon the exhaustion of the sheets of coupons of the bonds, and upon the return of the stubs belonging to bonds not yet drawn by lot, the Banque Internationale de Commerce à St.-Pétersbourg will, at the expense of the Imperial Government of China, have new sheets of coupons made, which will be delivered to the holders without any expense to them, and free of any Chinese tax.

8.—The following offices will be exclusively entrusted with the service of the Chinese 4% Gold Loan of 1895:

In Paris—M.M. Hottinguer & Cie.; La Banque de Paris et das Pays-Bas; Le Crédit Lyonnais; La Société Générale pour favoriser le Développement du Commerce et de l'Industrie en France; Le Comptoir National d'Escompte de Paris; and La Société Générale de Crédit Industriel et Commercial;

In Brussels— . . . . . ;

In Geneva—The branch of the Banque de Paris et des Pays-Bas; and the agency of the Crédit Lyonnais;

In Amsterdam—The branch of the Banque de Paris et des Pays-Bas;

In London—The agency of the Comptoir National d'Escompte de Paris; the agency of the Crédit Lyonnais; and the branch of the Banque Russe pour le Commerce Etranger;

In Berlin— . . . . . ;

In Frankfurt-on-Main—For account of the Banque Internationale de Commerce à St.-Pétersbourg, at the offices which may be designated by it;

In St. Petersburg—La Banque Internationale de Commerce à St.-Pétersbourg; La Banque Russe pour le Commerce Etranger; La Banque d'Escompte de St.-Pétersbourg; and La Banque de Commerce de Volga-Kama.

The commission allotted to the offices of all the firms alike is fixed at ¼% (a quarter of one per cent) of the amount of the coupons and of the bonds of the present loan.

9.—The present loan is guaranteed by the duties levied by the Maritime Customs of China, and by the deposit of customs bonds.

Furthermore, in the event that the service of the loan should for any reason whatsoever come to be suspended or delayed, the Imperial Government of Russia, by agreement with the Imperial Government of China, undertakes, vis-à-vis the contracting banks and firms, the obligation to find, itself, and to place at their disposal in good time, as they fall due, whatever sums are necessary for the payment of the coupons and of the amortized bonds of the present loan.†

The bonds put into circulation by the Syndicate, representing the general bond deposited with the Banque Internationale de Commerce à St.-Pétersbourg, will be made out in the name of the Imperial Government of China.

10.—The Imperial Chinese Legation at St. Petersburg will hold or cause to be held an annual drawing of bonds, and will see to it that the publications specified in Article 4 take place regularly.

† For the terms of the guarantee given by the Russian Government to the Syndicate, see the note to the Russo-Chinese Protocol of July 6th, 1895 (No. 1895/7), *post*, p. 42.

The correspondence of the Imperial Chinese Legation with the contracting parties will be carried on exclusively through the Banque Internationale de Commerce à St.-Pétersbourg, which will be in charge of the general accounting of the loan, and will see to it that the funds necessary for the service of the loan are suitably apportioned, and to which the other offices will cause to be delivered, duly cancelled, the bonds and coupons paid by them.

Through the agency of its Legation at St. Petersburg, the Imperial Government of China will in good time provide to the firms entrusted with the service of the Chinese 4% Gold Loan of 1895 the amounts necessary therefor, in accordance with the requirements ascertained during the corresponding semester of the preceding year. One month before each due date, the Banque Internationale de Commerce à St.-Pétersbourg will, in behalf of the contracting parties, furnish the necessary information to the Imperial Chinese Legation at St. Petersburg. The Imperial Government of China undertakes to put into the hands of the officers concerned the amounts necessary, in accordance with these indications, at least twenty days before each due date.

11.—The Syndicate binds itself to take firm,—and by the mere fact of signature of the present contract it takes firm,—the Chinese 4% Gold Loan of 1895, for a nominal amount of frs. 400,000,000 = mk. 323,200,000 = £15,820,000 = Netherland fls. 191,200,000 = g. rs. 100,000,000, at the price of 94⅛% (ninety-four and one-eighth per cent) of the nominal principal in francs.

The discount on the loan will be calculated upon the nominal principal in francs, and the net proceeds accruing to the Imperial Government of China will be placed to its credit in Paris.

The Minister of China at St. Petersburg is authorized, after the deposit of the general bond with the Banque Internationale de Commerce à St.-Pétersbourg, to dispose of the proceeds of the loan, and to give the Syndicate good and valid receipts therefor.

Until the completion of the definitive bonds, the Syndicate will at its own expense issue at each place special provisional certificates.

12.—The Syndicate will see to the payment, for the account of the Imperial Government of China, of the expenses for the French stamp tax, as well as for the preparation and delivery of the definitive bonds. The amount of these expenses will be deducted from the proceeds of the loan. All other expenses (such as publicity, charges for other foreign stamps, notarial services, registration, etc.) will be borne by the Syndicate. The definitive bonds will bear the coupons falling due on January 1, 1896 (New Style), and subsequent coupons.

13.—The Syndicate will issue the Chinese 4% Gold Loan of 1895 by public subscription, on July 31, 1895, at the latest. The prospectus of the subscription is approved by the Minister of China at St. Petersburg.

14.—The discount on these transactions will be calculated on the basis of the nominal amount in francs, at the price of 94⅛%, plus the interest accrued from July 1st to the day of the discount, such interest being calculated at 4% per annum. The amounts thus arrived at in francs will be held in Paris to the credit of the Minister of China at St. Petersburg.

The Syndicate may, at its discretion, arrange for the Chinese 4% Gold Loan of 1895 in one or more issues. In any case, a third of the proceeds must be placed to the credit of the Imperial Government of China, as provided above, on August 20, 1895, at the latest; another third on October 1, 1895; and the balance on January 1, 1896 (New Style).

The expenses of the French stamp tax and those for preparation and delivery of the bonds will be deducted from the amount to be placed to the credit of the Imperial Government of China following such payments.

From the sums held in Paris to the credit of the Imperial Government of China, the Syndicate will make without charge, to any one of the places in Europe, such transfers as may be requested of it by the Minister of China at St. Petersburg.

Transfers outside of Europe will be arranged for exclusively by the Banque Internationale de Commerce à St.-Pétersbourg, which will see to it that they are made to the best advantage of the Imperial Government of China.

15.—The contracting parties participate in the present contract severally (i.e., *sans solidarité entre eux*), and in the following proportions:

M.M. Hottinguer & Cie	francs	62,500,000
La Banque de Paris et des Pays-Bas		62,500,000
Le Crédit Lyonnais		62,500,000
Le Comptoir National d'Escompte de Paris		25,000,000
La Société Générale pour favoriser le Développement du Commerce et de l'Industrie en France		25,000,000
La Société Générale de Crédit Industriel et Commercial		12,500,000
La Banque Internationale de Commerce à St.-Pétersbourg		75,000,000
La Banque Russe pour le Commerce Etranger		25,000,000
La Banque d'Escompte de St.-Pétersbourg		25,000,000
La Banque de Commerce de Volga-Kama		25,000,000
Total	francs	400,000,000

16.—Until January 15th, 1896, the Imperial Government of China will not take steps to make any issue of funds in gold, and will allow no steps to be taken towards any issue of Chinese securities in gold guaranteed by the State, unless upon a previous understanding with the Syndicate.

Exception is made solely for the case of war.

17.—If extraordinary events should occur—if, for example, the French *rente* should fall below par, or Russian Consolidated 4%s below 98½%,—the Syndicate will have the right to decline to execute the present contract. This right of cancellation is available to it, however, only before June 24/July 6, 1895.

In the event of cancellation of the obligations of the Syndicate, the present contract becomes null and void.

18.—The Banque Internationale de Commerce à St.-Pétersbourg has full power to act in the name of the Syndicate with the Chinese Legation at St.

Petersburg. The said Bank is authorized to give good and valid receipt in the name of the Syndicate for any sum or value.

19.—The present contract will be drawn up in two originals, one for the Imperial Chinese Legation at St. Petersburg, and one for the Syndicate; and as many copies as there are members of the Syndicate will be prepared. The copies will be certified by the Imperial Chinese Legation at St. Petersburg.

In case of doubt or of difference, the French text alone will be authoritative for the interpretation of the contract.

Done at St. Petersburg, June 24/July 6, 1895, the 14th day of the intercalary 5th moon of the 21st year of Kuang Hsü of the Ta Ch'ing Dynasty, in virtue of full powers in behalf of the Syndicate, namely:

For Hottinguer & Cie., etc., etc.

[Here follow signatures and seals]

NUMBER 1895/7.

RUSSIA AND CHINA.

Protocol of exchange of declarations concerning the Chinese Four Per Cent Gold Loan of 1895.—July 6, 1895.*

The undersigned met this day at the Imperial Ministry of Foreign Affairs to proceed with the exchange of the Declarations concerning the Chinese 4% Gold Loan of 1895, signed at St. Petersburg on June 24/July 6, 1895, between Russia and China.

The respective instruments having been read and found to be in good and due form, the exchange of Declarations took place in the usual manner.

In faith whereof the undersigned drew up the present Protocol and affixed thereto the seal of their arms.

Done in duplicate at St. Petersburg, June 24/July 6, 1895.

L. S. (Signed) PRINCE LOBANOW ROSTOWSKY.
L. S. (Signed) SHU.
L. S. (Signed) SERGE WITTE.

In view of the conclusion of the Chinese 4% Gold Loan of 1895, the Imperial Government of Russia and the Imperial Government of China have, in common accord, drawn up the following provisions:

The Imperial Government of Russia takes formal notice of the data supplied on June 24/July 6, 1895, by the Minister of China at St. Petersburg as to the Chinese loans contracted up to date and secured by the Maritime Customs

* Translation from the French text as printed in *Recueil*, p. 57. See also Note to this document, *post*, p. 42.

receipts, as to the annual amount to be paid on account of interest and amortization of the said loans, and as to the figure to which the annual receipts of the Chinese Maritime Customs amount.

II.—The Chinese Government engages to assign to the service of interest and amortization of the 400,000,000 francs in gold (face value) of the loan of 1895 the balance of the Maritime Customs receipts available after meeting the payments on Chinese loans previously secured by the said receipts. It is expressly stipulated that every year until the Chinese 4% Gold Loan of 1895 shall have been fully liquidated, no other Chinese loan subsequently concluded shall be served out of the receipts of the Chinese Maritime Customs before full provisions shall have been made for the service of the interest and amortization of the above-mentioned loan.

III.—In case the service of the loan should, for any reason whatever, happen to suffer abeyance or delay, the Imperial Government of Russia, in accord with the Imperial Government of China, takes the obligation toward the contracting banks and firms, to make up for its part and place at their disposal in good time, as fast as they fall due, all sums required for the payment of coupons and redeemed bonds of the present loan, save that the Chinese Government will afterwards furnish the Russian Government with additional security. The manner of such additional security will be made the subject of a special agreement to be established between the two governments by their plenipotentiaries at Peking.

IV.—In consideration of this loan the Chinese Government declares its resolution not to grant to any Foreign Power any right or privilege under any name whatsoever concerning the supervision or administration of any of the revenues of the Chinese Empire. But in case the Chinese Government should grant to any one Power rights of this character, it is understood that from the mere fact of their being so granted, they should be extended to the Russian Government.

V.—This Declaration shall have the same force and value as a Treaty. It shall go into effect on and from the day of the signing of the Chinese Government's contract with the bankers who take charge of this loan, and will endure until the loan is fully liquidated.

In faith whereof the undersigned, duly authorized to that effect, have signed this Declaration and affixed thereto the seal of their arms.

Done at St. Petersburg, in duplicate, June 24/July 6, 1895, corresponding to the 14th day of the 5th moon, of the 21st year of Kuang Hsü of the Ta-Ching Dynasty.

L. S. (Signed) PRINCE LOBANOW ROSTOWSKY.
L. S. (Signed) SHU.
L. S. (Signed) SERGE WITTE.

Note.

In connection with this Declaration see Loan Contract (No. 1895/6); also the contract of the same date by which the Russian Government guaranteed to the lending syndicate the due payment of interest and amortization by the Chinese Government, as given in *III Cordier*, p. 307, of the body of which the translation is as follows:

Contract of Guarantee of Chinese 4% Gold Loan of 1895 by Russian Government.—July 6, 1895.

"Art. 1.—The Syndicate takes positively (i.e, *prend ferme*) from the Chinese Government a 4% gold loan of a nominal amount of 100,000,000 gold roubles, 400,000,000 francs, 323,200,000 marks, 15,820,000 pounds, or 191,200,000 Dutch florins, under the conditions and on the basis of a contract to be concluded between the Syndicate and the Minister of China at St. Petersburg, on the same date and at the same time as the present agreement.

"Art. 2.—The conditions of this loan are stipulated in the afore-mentioned contract, which is appended to the present document and forms a part of this agreement. As provided in the contract with China, besides the special guarantees granted directly by the latter Power, the Imperial Government of Russia undertakes, in case for any reason the payments on the loan should fail to be made or should be delayed, to make up on its part and to place at the disposal of the contracting parties to the loan, in due time and as fast as the payments fall due, all the sums necessary for the payment of the coupons and redeemed bonds of the present loan.

"Art. 3.—The obligation stipulated in the foregoing article shall become effective in the following manner: When China, in pursuance of the contract, has failed to furnish 20 days before the date of maturity, according to Article 10 of the contract, the necessary funds for making the payment on the coupons and the amount of bonds to be redeemed, Russia shall furnish the undersigned banking institutions, on a mere notice from them and not later than ten days before the maturity of the coupons, all the amounts necessary to meet the payments.

"The contracting parties shall be permitted to request these amounts through their representatives at St. Petersburg or through some representative chosen among the French banking institutions.

"Art. 4.—His Excellency the Minister of Finance hereby declares that the Minister of China is duly authorized by the Emperor of China to sign the loan contract with the Syndicate and that this loan has received legal force through this signature.

"Art. 5.—The Contract with China, as well as the present Agreement, shall be exempt from Russian stamp duties. The Agreement shall be drawn up in two copies, one of which shall be deposited in the Ministry of Finance of Russia and the other at the house of Messrs. Hottinguer & Co. at Paris. Each contracting party shall receive a copy of the present agreement, duly authenticated by the Ministry of Finance.

"The present agreement shall not be valid until it has received the approval of His Majesty the Emperor.

"Done at St. Petersburg, June 24/July 6, 1895."

NUMBER 1895/8.

GERMANY AND CHINA.

Convention in regard to a concession in the treaty port of Hankow.—October 3, 1895.*

The Imperial German Consul General in Shanghai, Dr. Steubel, and the Taotai of the Han-Huang-Tê Circuit in Hupei, Superintendent of Customs for

* Translation from the German text as printed in *Recueil*, p. 68.

In connection with this convention, see also the Declaration of war by China against Germany, August 14, 1917 (No. 1917/7, *post*).

Foreign Trade in Hankow, Officer of the Second Rank, Yün, have—subject to the sanction of the superior authorities of the said two officers—concluded the following lease in perpetuity:—

ARTICLE I.—Inasmuch as the establishment of a new Concession in Hankow has been duly applied for with a view to the development of German commerce, I, the Superintendent of Customs, by order of the Acting Governor-General of the Two Hu Provinces, Tan, and I, the German Consul-General, have selected, on due and careful examination, a plot of land situated in the market-town Hankow, below the British Concession, which, with its front outside the Tung Chi Gate, extends from the border of the government land by the river side to a place called Lichia-tun (mound of the Li family), measuring 300 *chang* in length, the depth of the area (the bank of which is at present still inundated) being fixed at 120 *chang*.

On the 24th day of the 7th month (September 12th) the survey of the area of the German Concession took place in the presence of the German Consul-General and the German Vice-Consul Thyen on the one side, and the Hanyang District Magistrate Hsüeh and Sub-Prefect Tung on the other side, boundary stones having been set at the terminal points.

The depth of the Concession will have to be fixed as soon as the water-level of the river has fallen to the normal water mark.

ARTICLE II.—The total area of this plot is 600 *mou*. The land tax amounts to Taels 0.117 per *mou*, making a total of Taels 70.20 for the whole area. The grain tax is 2.84 *sheng* per *mou*, making a total of 17 piculs and 4 *sheng* of rice, which calculated at the rate of Taels 3 per picul, yields a sum of Taels 51.12 as grain tax for the whole settlement. Inasmuch as the land and grain taxes amounting to Taels 121.32 per annum have hitherto been paid by Chinese as revenue from the land, the German Consul will pay a similar amount in the 4th month of each year to the Hanyang District Magistrate for further transmission through him.

In return therefor, the land is leased in perpetuity to the German Government, which, through its authorities, will bring about, as soon as possible, the transfer of the land from Chinese into foreign ownership. As far as concerns land that has not yet changed hands in the above manner, the amount of the lease will, as heretofore, be paid by the Chinese tenant.

The register of landed property kept by the German Consul is authority and proof for questions as to who is entitled to the lease of the land in the German Concession and for what amounts the registered lessee may possibly have mortgaged his rights in the land to some third person.

The German Concession will be administered by the German Consul in accordance with this agreement of lease and with executive orders to be issued in this connection. Chinese shall not be allowed to reside within the Concession.

ARTICLE III.—Whosoever desires to acquire from the Chinese owner a lease in the German Concession is bound to compensate the latter in accordance with the following rules:

The indemnity is to be fixed according to the principle of fairness and the

prices obtaining within the last three months for sales of similar land. The Superintendent of Customs shall not allow the Chinese to artifically raise the usual prices, whereas, on the other hand, the German merchants may not bring about by force the transfer of rights. Should it, however, prove necessary in the course of time to do so, the right to make arrangements for standard prices for land in the German Concession is reserved herewith for future negotiations.

So far as private temples, ancestral halls, guild halls and public temples are concerned, the amount of compensation is to be agreed upon specially and individually in each case, in order to avoid arousing the ill-feeling or inviting the resistance of the people. Houses or tombs—if there be any—on the land leased in perpetuity shall have their values fixed according as they are brick buildings or wooden huts, and any change of residence or removal of tomb so entailed is to be compensated for by mutual agreement.

As soon as the compensation is paid the land is to be vacated. If there are buildings on the plot, a special time is to be fixed for the vacation. The Chinese owner is not allowed to utilize his land in any other way than heretofore—that is, exclusively as residence for himself and his family, or for farming, which he may continue to do, so long as no transfer of property has taken place. In particular, no new buildings are to be erected on the plot.

Article IV.—Compulsory expropriation of the Chinese owner will be effected by the Chinese authorities concerned on application by the German Consul.

In the title-deed the words "leased in perpetuity" are to be used. After careful examination by the Prefect and the District Magistrate of Hanyang, the usual Chinese fees are to be paid for the documents, whereupon the official seal is to be affixed in witness thereof.

It may happen that after the conclusion of this treaty of lease a non-German foreigner desires to acquire a lease of land in the German Concession. This, however, shall only be possible if the German Consul gives his sanction thereto, after and because the area of the Concession has, by this treaty of lease, been transferred to the German Government in perpetuity. It is the German Consul alone who is entitled, if such a case arises, to apply to the Chinese authorities for the issue of a title-deed.

Article V.—Government land situated in the German Concession shall be surveyed, and is to remain in the possession of the Chinese Government, in order that there may be established later on a Mixed Court and eventually other public buildings.

Article VI.—On the area of the German Concession there are from ancient times government roads and public ways. If in future these thoroughfares should be blocked up by the erection of European houses, sufficient space is to be left at another place for the construction of proper roads and ways. Both Chinese and European merchants, without discrimination, as well as Government couriers forwarding despatches and transports of Government silver, together with the men and horses required for them, are allowed to pass freely and unmolested over these roads.

In case the Chinese Government decides to lay a railway track through the German Concession, the area required for this purpose shall be retroceded.

The price of the land shall be fixed by the Superintendent of Customs and the German Consul in accordance with the principle of fairness, should it be impossible to arrive at an understanding in this respect with the lessee for the time being. On no account and under no pretext whatsoever can the retrocession be refused.

ARTICLE VII.—The communication facilities between the German and British Concessions through the Tung Chi Gate in the City Wall being most insufficient, an agreement has been reached, after examination by the Hanyang District Magistrate, to the effect that a practicable (passable) quay may be constructed around the base of the City Wall along the river, so that in this way good communication may be established with the roads on the other side of the wall and thereby also with the British Concession.

The Government land outside of the Tung Chi Gate which serves for defending and guarding the City Wall is not included in the Concession. However, the Chinese authorities shall take care that no huts that offend the eye will remain or be erected on this land. Likewise tombs shall not be allowed there.

ARTICLE VIII.—The German Concession is to be within the boundaries of the Treaty Port of Hankow. The construction of landing stages is to be preceded by a consultation with the Superintendent of Customs so that it may be determined (stated) whether or not Chinese and foreign shipping will thereby be inconvenienced on that spot.

ARTICLE IX.—Foreigners residing in the German Concession, who are not represented by a Consul in China, as well as all Chinese, are under Chinese jurisdiction, which is exercised in the German Concession itself by a Chinese judge to be specially appointed to this function.

In cases that concern a non-represented foreigner, and in cases where a German or another foreigner is concerned as plaintiff or injured party, and finally in cases dealing with Chinese contraventions of the orders in force in the German Concession, the Chinese judge is to sit and to decide only in the presence of the German Consul or of a person deputed by him.

Moreover, it shall be possible in all such cases to lodge, through the medium of the German Consul, an appeal with the Superintendent of Customs, against the decision of the judge. The judgment in difficult and important cases remains, also in future, reserved to the local authorities.

As for the rest, all questions at issue between Chinese and foreigners are to be dealt with according to the treaties.

ARTICLE X.—There are various non-German foreigners who have already previous to this acquired from the Chinese owners the leases of plots of land lying within the boundaries of the German Concession. The rights of such foreigners are not interfered with by the establishment of the German Concession.

Regarding the incorporation in the German Concession of the plots of land in question, the German consular authorities shall, if necessary, negotiate with the Consuls of the foreigners concerned.

This Agreement is done in duplicate and signed, and will, in addition, have the official seals of the two contracting parties affixed thereto, as soon as the

above mentioned reserved sanction of the said superior authorities is at hand.

Done at Hankow, this third day of October, 1895, which is the 15th day of the eighth moon of the 21st year of Kuang Hsü.

(Sgd.) Dr. Steubel,
[L. S.] *Imperial German Consul-General.*
(Sgd.) *Taotai and Superintendent of Customs,*
Yün.

NUMBER 1895/9.

GERMANY AND CHINA.

Convention in regard to a concession in the treaty port of Tientsin.—October 30, 1895.*

An Agreement having been reached between the Imperial German Legation in Peking acting by order and on behalf of the Imperial German Government, on the one side, and the Tsung-li Yamen, on the other, to the effect that a Concession should be set apart for German trade at Tientsin; further that the details bearing thereupon should be settled by negotiations to be conducted between officials specially detailed by the Superintendent of Trade of the Northern Ports, and the Imperial German Consul at Tientsin; the commission, consisting of the Taotais Sheng, Li, Huang and Wu, on the one side, charged with the conduct of these negotiations by the Superintendent of Trade of the Northern Ports, and the Imperial German Consul on the other side, have now agreed upon the following points:

Article I.—The Concession destined for German trade in Tientsin being herewith leased in perpetuity to the Imperial German Government by the Imperial Chinese Government shall have the following boundaries:

On the north, the road along the northern side of the plots of the Fukien and Canton Guild Halls down to Taku Road.

On the east, the river.

On the south, the edge of the street leading from the northern part of the village of Hsiao Liu Chuang to the eastern edge of Taku Road. The houses belonging to this village are to remain outside the Concession.

On the west, the eastern side of Taku Road.

The erection of the boundary stones required shall be undertaken with the assistance of the Chinese authorities and the Imperial German Consul in Tientsin immediately on conclusion of this Agreement.

* Translation from the German text as printed in *Recueil*, p. 77.
In connection with this convention see also the Declaration of war by China against Germany, August 14, 1917 (No. 1917/7, *post*).

The part of the City Wall running within this area can be removed only with the consent of the Chinese Government, whereas it is admissible to break through it for gates.

ARTICLE II.—In the event of the area composed of compounds of the China Merchants Steam Navigation Company, of the Chinese Engineering and Mining Company and of the firm of Forbes & Company, lying between the southern boundary of the British Concession and the road running along the southern boundary of the compound of Forbes & Co., remaining under Chinese jurisdiction, the Chinese Government undertakes the responsibility of having the strip of land lying between these compounds and the river put in order and kept in the same way as it has been done in the British Concession, so that the Bund and the street running along it is extended.

The Chinese Government shall, in this case, not allow the keeping of small stalls on this new Bund or on the new street section.

Further, the Chinese Government undertakes to keep in good order the section of Taku Road joining the British Concession and the road running along the south of the compound of Forbes & Company.

If the Chinese Government does not discharge the liabilities taken over under Article II within one year after the Imperial German Consulate at Tientsin has requested it to do so, then the right of executing the necessary work, at the expense of the Chinese Government, shall pass to the Administration of the German Concession.

ARTICLE III.—The building near the river outside of the Wall, together with the compound appertaining to it, known under the name of Po-wen-shu-yuan and changed by the Chinese authorities into a High School, shall remain there undisturbed without taxes of any kind being allowed to be levied thereon. If, however, at the time of constructing the bund the enclosure wall built on the eastern side of the said compound proves to interfere with the bund line to be fixed later on by the German authorities, the Chinese authorities shall be bound to put this wall back free of charge as far as it appears necessary, it being understood, however, that this removal shall, at all events, be a small one only. On this part of the river bank, godowns or shanties made of bamboo matting likely to shut off light and view from the High School are not to be erected.

ARTICLE IV.—The granary inside the Wall shall be left there without molestation for the time being, without any taxes to be levied thereon. Its communication with the river shall be in accordance with the land regulations to be issued in due course, but shall otherwise be unhampered.

Chinese native craft loaded with rice for the granary may load and unload there without payment of any taxes or fees.

ARTICLE V.—The building adjoining the granary and containing a mortuary for Chinese officials from other provinces shall be left unmolested forever, without taxes to be levied thereon. Religious ceremonies held there at fixed dates must not be interfered with, if they do not violate the regulations for order and peace in the Concession to be issued later on.

ARTICLE VI.—The cemetery of the Canton, Fukien and Chekiang Guilds

lying within the area assigned for the Concession shall so far as covered by tombs be left unmolested, nor shall sacrificial ceremonies for the dead on this place be in any way interfered with. Taxes shall not be levied thereon, nor shall it be possible to force the Guilds to sell it. However, they shall see that on the eastern side the place is walled in by an enclosure having a big gate, which allows of free passage in and out.

ARTICLE VII.—Within the Concession and outside the Wall there is a drain coming from the southern marsh, which is to remain under Chinese administration. The same applies also to such dredging thereof as may be required from time to time. Merchandise passing this canal shall not be taxed by the German authorities.

ARTICLE VIII.—Chinese shall be allowed to settle in the German Concession in agreement with the Regulations governing the purchase of land to be issued in due course.

ARTICLE IX.—The expropriation of Chinese residing or owning land on the area now leased in perpetuity to Germany becoming necessary on conclusion of this Agreement, shall be carried out by the Chinese authorities, inasmuch as the German Government does not acquire this Concession from the landowners but from the Chinese Government. Accordingly the local authorities shall have to apply force, in case a person is unwilling to sell his land or property voluntarily.

ARTICLE X.—A single and uniform compensation fee of Taels 75 per *mou* will be paid against voucher to the Chinese authorities by the Imperial German Consul in Tientsin for all the land contained in the Concession, regardless of the situation of the various plots.

As to all the alluvial land by the river-side belonging to the Chinese Government to the east of the road running along the river and forming the eastern boundary of the cemetery and of the compounds of the Fukien, Canton and Chekiang Guilds, and of the mortuary and the granary, and which, farther on, leads from the Po-wen-shu-yuan along the river to the village Hsiao Liu Chuang, although this also is to be surveyed, it shall be exempt from compensation.

In addition, the entire land of the Public Works Office is ceded free of charge to Germany on the understanding, however, that Germany transfers, in exchange, also free of charge, another plot of land to the Works Office to carry on their business.

ARTICLE XI.—The fixing of the expropriation value of houses within the German Concession is reserved to a German-Chinese Commission to be specially appointed to this end. This Commission shall, however, be guided in the decision of those questions by the procedure as laid down in the regulations referring to the French Concession, as may be taken from the archives,—on no account, however, yielding to exaggerated demands of the landowners. If there are particularly well-built houses, fair valuation shall be taken into special consideration.

ARTICLE XII.—The land in the Concession is to be evacuated on the expiration of three months after payment. As regards houses occupied by Chinese they shall, in consideration of the imminent cold season when it is difficult to

abandon same, not be evacuated until three months after payment has been made, said payment to take place on the opening of the river in the coming spring. For removal fees, 10 Taels shall be paid by the German authorities to each family.

ARTICLE XIII.—Tombs, wherever found in the area intended for the German Concession, shall not be removed by the Germans themselves, but shall be left in the condition hitherto prevailing. In case the descendants themselves agree upon the removal of a tomb the Germans shall pay one Tael per tomb for removal expenses.

ARTICLE XIV.—Payment having been made for a plot of land sold, the former Chinese owner shall send in to the Chinese authorities, for the affixing of the official seal, a contract of sale concerning transfer of the plot to German hands, with details of boundaries and size of the plot, to be forwarded in due course to the German Consul for safekeeping.

ARTICLE XV.—The Administration of the German Concession shall pay annually to the Chinese Government an amount of 1000 big cash as land tax per *mou* of land transferred, in accordance with the French Concession Agreement, this payment to be made in advance on the 15th day of each twelfth moon for the following year. The amount is to be handed over to the office of the City Magistrate by the German Consul. The liability to payment of this land tax begins at the moment of the purchase made by the German authorities.

ARTICLE XVI.—Immediately on the signing of this Agreement, the Governor General and the Superintendent of Trade of the Northern Ports will issue a proclamation making known the bestowal of the Concession on the German Government.

ARTICLE XVII.—The present Agreement shall be signed and stamped with the official seals on quintuplicate copies, issued in both the German and the Chinese languages, by the officials specially detailed by the Superintendent of Trade of the Northern Ports, on one side, and by the Imperial German Consul in Tientsin, on the other.

Recipients of a copy:
The Tsung-li Yamen,
The Superintendent of Trade,
The Imperial German Minister at Peking,
The Taotai and Superintendent of the Tientsin Maritime Customs,
The Imperial German Consul at Tientsin.

ADDITIONAL RULES.

ARTICLE A.—Against the transfer of the part lying between the compound of the firm of Forbes & Company and the compounds of the aforesaid Guilds, a protest has been lodged with the Peking Government by the Minister of the United States of America. In the event of this protest being dropped by the Government of the United States, the northern boundary of the German Concession shall be traced in such a manner that the road running along the southern boundary of the compound belonging at present to the firm of Forbes & Company between the river and Taku Road forms the northern boundary.

In this event the prices fixed in Article X shall be binding also for an eventual expropriation of the area at present claimed by the American Minister.

Chinese men-of-war shall, as heretofore, be allowed to moor at the landing-stage south of the compound of Forbes & Company and north of the compound belonging to the Guilds, without paying to Germany any fees or taxes.

ARTICLE B.—If the Imperial German authorities intend road building on the area assigned to them, the owners of tombs lying in the alignment of these streets shall by negotiations with the local authorities be induced to have them removed. If in this connection tombs of notable families are concerned, which they on no account are willing to remove, ways and means must be found to alter somewhat the course of the street.

Ninety Five, corresponding to the 13th day of the 9th moon of the 21st year of Kuang Hsü, Chinese date.

Done at Tientsin, this 30th of October, One Thousand Eight Hundred and

[L. S.] (Sgd.) VON SECKENDORFF,
Imperial Consul.

[Two Chinese signatures and seal.]

NUMBER 1895/10.

JAPAN AND CHINA.

Convention for the retrocession by Japan to China of the southern portion of the Province of Fêng-Tien (i.e., the Liaotung Peninsula.)—November 8, 1895.*

His Majesty the Emperor of Japan and His Majesty the Emperor of China, desiring to conclude a Convention for the retrocession by Japan of all the southern portion of the province of Fêng-Tien to the sovereignty of China, have for that purpose named as Their Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan—Baron Hayashi Tadasu, Shoshii, Grand Cross of the Imperial Order of the Sacred Treasure, Grand Officer of the Imperial Order of the Rising Sun, Minister Plenipotentiary and Envoy Extraordinary

and His Majesty the Emperor of China—Li Hung-Chang, Minister Plenipotentiary, Senior Tutor of the Heir-Apparent, Senior Grand Secretary of State and Earl of the First Rank,

Who, after having communicated to each other their full powers, which were found to be in good and proper form, have agreed upon the following Articles:

* Text as reprinted in *Rockhill*, p. 26, from *B. & F. State Papers*, vol. 87, p. 1195, with the addition of the Preamble as printed in *Recueil*, p. 89. Printed also in *Hertslet*, p. 370, and *Am. Int. Law Journal, Supplement*, 1907, p. 384. See Note to this document, *post*, p. 52.

ARTICLE I.—**Territory retroceded.**—Japan retrocedes to China in perpetuity and full sovereignty the southern portion of the Province of Fêng-Tien, which was ceded to Japan under Article II of the Treaty of Shimonoseki of the 17th day of the 4th month of the 28th year of Meiji, corresponding to the 23rd day of the 3d month of the 21st year of Kuang Hsü, together with all fortifications, arsenals and public property thereon at the time the retroceded territory is completely evacuated by the Japanese forces in accordance with the provisions of Article III of this Convention, that is to say, the southern portion of the Province of Fêng-Tien from the mouth of the River Yalu to the mouth of the River An-ping, thence to Feng Huang Ch'êng, thence to Haicheng, and thence to Ying-kow; also all cities and towns to the south of this boundary and all islands appertaining or belonging to the Province of Fêng-Tien situated in the eastern portion of the Bay of Liao-Tung and in the northern part of the Yellow Sea. Article III of the said Treaty of Shimonoseki is in consequence suppressed, as are also the provisions in the same Treaty with reference to the conclusion of a Convention to regulate frontier intercourse and trade.

II.—**Compensation in lieu of territory.**—As compensation for the retrocession of the southern portion of the Province of Fêng-Tien, the Chinese Government engage to pay to the Japanese Government 30,000,000 Kuping taels on or before the 16th day of the 11th month of the 28th year of Meiji, corresponding to the 30th day of the 9th month of the 21st year of Kuang Hsü.

III.—**Mode of payment.**—Within three months from the day on which China shall have paid to Japan the compensatory indemnity of 30,000,000 Kuping taels provided for in Article II of this Convention, the retroceded territory shall be completely evacuated by the Japanese forces.

IV.—**Immunity to inhabitants.**—China engages not to punish in any manner nor to allow to be punished those Chinese subjects who have in any manner been compromised in connection with the occupation by the Japanese forces of the retroceded territory.

V.—**English text authoritative.**—The present Convention is signed in duplicate, in the Japanese, Chinese, and English languages. All these texts have the same meaning and intention, but in case of any differences of interpretation between the Japanese and Chinese texts, such differences shall be decided by reference to the English text.

VI.—The present Convention shall be ratified by His Majesty the Emperor of Japan and His Majesty the Emperor of China, and the ratifications thereof shall be exchanged at Peking within twenty-one days from the present date.†

In witness whereof the respective Plenipotentiaries have signed the same and have affixed thereto the seal of their arms.

Done at Peking, this 8th day of the 11th month of the 28th year of Meiji, corresponding to the 22nd day of the 9th month of the 21st year of Kuang Hsü.

[L. S.] HAYASHI TADASU.
[L. S.] LI HUNG-CHANG.

† Ratifications exchanged at Peking, November 29, 1895.

PROTOCOL.

In view of the insufficiency of time to effect a formal exchange of the ratifications of the Convention between Japan and China signed this day respecting the retrocession of the Peninsula of Fêng-Tien, before the date named in the said Convention for certain stipulations thereof to take effect, the Government of His Majesty the Emperor of Japan and the Government of His Majesty the Emperor of China, in order to prevent the possibility of delay in putting into execution the several provisions of the said Convention, have, through their respective Plenipotentiaries, agreed upon the following stipulations:

The Governments of Japan and China shall, within the period of five days after the date of this Protocol, announce to each other through the undersigned, their respective Plenipotentiaries, that the said Convention has received the approval of His Majesty the Emperor of Japan and His Majesty the Emperor of China, respectively, and thereupon the said Convention in all its parts shall come into operation as fully and effectually as if the ratifications thereof had actually been exchanged.

In witness whereof the respective Plenipotentiaries have signed the same, and have affixed thereto the seal of their arms.

Done at Peking, this 8th day of the 11th month of the 28th year of Meiji, corresponding to the 22nd day of the 9th month of the 21st year of Kuang Hsü.

[L. S.] HAYASHI TADASU.

[L. S.] LI HUNG-CHANG.

Note.

In connection with this convention see the Treaty of peace between China and Japan of April 17, 1895 (No. 1895/3, *ante*); see also the Convention for the lease of the Liaotung Peninsula to Russia, March 27, 1898 (No. 1898/5, *post*), and Article 5 of the Treaty of Peace between Russia and Japan, September 5, 1905 (No. 1905/8, *post*).

Hertslet (p. 369) also gives the following translation of a Japanese Proclamation dated May 10th, 1895:

Japanese Imperial Proclamation regarding Retrocession of Liaotung Peninsula.—May 10, 1895.

"We recently, at the request of the Emperor of China, appointed Plenipotentiaries for the purpose of conferring with the Ambassadors sent by China and of concluding with them a Treaty of Peace between the two Empires. Since then the Governments of the two Empires of Russia and Germany and of the French Republic, considering that the permanent possession of the ceded districts of the Fêng-Tien Peninsula by the Empire of Japan would be detrimental to the lasting peace of the Orient, have united in a simultaneous recommendation to our Government to refrain from holding these districts permanently.

"Earnestly desirous as we always are for the maintenance of peace, nevertheless we were forced to commence hostilities against China for no other reason than our sincere desire to secure for the Orient an enduring peace. The Governments of the three Powers are, in offering their friendly recommendation, similarly actuated by the same desire, and we, out of our regard for peace, do not hesitate to accept their advice. Moreover, it is not our wish to cause suffering to our people, or to impede the progress of the national destiny by embroiling the Empire in new complications, and thereby imperiling the situation and retarding the restoration of peace.

"China has already shown, by the conclusion of the Treaty of Peace, the sincerity of her repentance for her breach of faith with us, and has made manifest to the world our reasons and the object we had in view in waging war with that Empire.

"Under these circumstances we do not consider that the honour and dignity of the Empire will be compromised by resorting to magnanimous measures, and by taking into consideration the general situation of affairs.

"We have therefore accepted the advice of the friendly Powers and have commanded our Government to reply to the Governments of the three Powers to that effect.

"We have specially commanded our Government to negotiate with the Chinese Government respecting all arrangements for the return of the peninsular districts. The exchange of the ratifications of the Treaty of Peace has now been concluded, the friendly relations between the two Empires have been restored, and cordial relations with all other Powers have been strengthened.

"We therefore command all our subjects to respect our will, to take into careful consideration the general situation, to be circumspect in all things, to avoid erroneous tendencies, and not to impair or thwart the high aspirations of our Empire.

(Imperial sign-manual.)

"(Countersigned by all the Ministers of State.)

"May 10, 1895."

In *Recueil* (p. 63) are printed the French texts of several documents, the tenor of which is sufficiently indicated by the following translation of an identic note addressed to the Japanese Ministry for Foreign Affairs, by the French, German and Russian Ministers on October 18, 1895, and acknowledged by it under date of the following day:

Identic Note of French, German and Russian Ministers to Japanese Minister for Foreign Affairs regarding Retrocession of Liaotung Peninsula.—October 18, 1895.

"The undersigned Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Russia has not failed to bring to the knowledge of his Government the two Declarations that His Excellency the Marquis Saïonzi, Acting Minister for Foreign Affairs, has made to him in the name of his Government, namely:

"A—Under date of July 19th: 'That the Government of His Majesty the Emperor of Japan recognizes the Straits of Formosa as being a great sea highway of the nations, and that those Straits are in consequence beyond its exclusive control or appropriation. The Government of His Majesty the Emperor of Japan binds itself not to cede to any Power the Islands of Formosa and the Pescadores';

"and B—Under date of October 7th: 'That the Government of His Majesty the Emperor of Japan has decided (1) to reduce to thirty million taels the amount of the indemnity in compensation for the retrocession of the Liaotung (Fêng-Tien) Peninsula, and (2) not to make the conclusion of the Treaty of commerce and navigation with China a condition of the evacuation of the said Peninsula; and to effect such evacuation within a period of three months from the date of the full payment by China of the said indemnity of thirty million taels.'

"The undersigned has been advised that the Government of his August Master, His Majesty the Emperor, taking note of the Declarations above cited, can only felicitate the Government of His Majesty the Emperor of Japan upon this new proof of its wisdom and moderation.

"In bringing the foregoing, under the instruction of his Government, to the knowledge of His Excellency the Acting Minister for Foreign Affairs, the undersigned begs him to be so good as to acknowledge the receipt of the present note, and avails himself of this occasion to renew to him the assurance of his highest consideration.

"Tokio, October 6/18, 1895.

"(Sgd.) Hitrovo."

NUMBER 1896/1.

FRANCE AND GREAT BRITAIN.

Declaration with regard to the Kingdom of Siam and other matters (advantages in Yünnan and Szechuan, etc.).—January 15, 1896.*

The Undersigned, duly authorized by their respective Governments, have signed the following Declaration:—

I.—**British and French spheres of influence in Siam.**—The Governments of Great Britain and France engage to one other that neither of them will, without the consent of the other, in any case, or under any pretext, advance their armed forces into the region which is comprised in the basins of the Petcha Bouri, Meiklong, Menam and Bang Pa Kong (Petriou) Rivers and their respective tributaries, together with the extent of coast from Muong Bang Tapan to Muong Pase, the basins of the rivers on which those two places are situated, and the basins of the other rivers, the estuaries of which are included in that coast; and including also the territory lying to the north of the basin of the Menam, and situated between the Anglo-Siamese frontier, the Mekong River, and the eastern watershed of the Me Ing. They further engage not to acquire within this region any special privilege or advantage which shall not be enjoyed in common by, or equally open to, Great Britain and France and their nationals and dependents. These stipulations, however, shall not be interpreted as derogating from the special clauses which, in virtue of the Treaty concluded on the 3rd October, 1893, between France and Siam, apply to a zone of 25 kilom. on the right bank of the Mekong and to the navigation of that river.

II.—**Independence of Siam.**—Nothing in the foregoing clause shall hinder any action on which the two Powers may agree, and which they shall think necessary in order to uphold the independence of the Kingdom of Siam. But they engage not to enter into any separate Agreement permitting a third Power to take any action from which they are bound by the present Declaration themselves to abstain.

III.—**Mekong thalweg limit.**—From the mouth of the Nam Huok northwards as far as the Chinese frontier the thalweg of the Mekong shall form the limit of the possessions or spheres of influence of Great Britain and France. It is agreed that the nationals and dependents of each of the two countries shall not exercise any jurisdiction or authority within the possessions or sphere of influence of the other.

Police of islands in Mekong.—The police of the islands in this part of the river which are separated from the British shore by a branch of the river shall,

* Text as reprinted in *Rockhill*, p. 28, from *B. & F. State Papers*, Vol. 88, p. 13. Printed also in *British Treaty Series*, No. 5 (1896); *Hertslet*, p. 583; *Recueil*, p. 94.

In connection with Article 4 of this declaration see the Anglo-Chinese Convention relative to Burmah and Thibet, March 1, 1894 (No. 1894/1, *ante*) and the Franco-Chinese Complementary Convention for the delimitation of the boundary between Tonkin and China, June 20, 1895 (No. 1895/4, *ante*).

so long as they are thus separated, be intrusted to the French authorities. The fishery shall be open to the inhabitants of both banks.

IV.—**No exclusive commercial and other privileges in Yünnan and Szechuen.**—The two Governments agree that all commercial and other privileges and advantages conceded in the two Chinese provinces of Yünnan and Szechuen either to Great Britain or France, in virtue of their respective Conventions with China of the 1st March, 1894, and the 20th June, 1895, and all privileges and advantages of any nature which may in the future be conceded in these two Chinese provinces, either to Great Britain or France, shall, as far as rests with them, be extended and rendered common to both Powers and to their nationals and dependents, and they engage to use their influence and good offices with the Chinese Government for this purpose.

V.—**Delimitation of territory west of Lower Niger.**—The two Governments agree to name Commissioners delegated by each of them, who shall be charged to fix by mutual agreement, after examination of the titles produced on either side, the most equitable delimitation between the British and French possessions in the region situated to the west of the Lower Niger.

VI.—**Revision of general convention of July 19, 1875, with Tunis, agreed to.**—In conformity with the stipulations of Article XL of the General Convention concluded between Great Britain and the Regency of Tunis on the 19th July, 1875, which provides for a revision of that Treaty "in order that the two Contracting Parties may have the opportunity of hereafter treating and agreeing upon such other arrangements as may tend still further to the improvement of their mutual intercourse, and to the advancement of the interests of their respective people," the two Governments agree at once to commence negotiations for replacing the said General Convention by a new Convention, which shall correspond with the intentions proposed in the Article above referred to.

Done at London, the 15th January, 1896.

[L. S.] SALISBURY.
[L. S.] ALPH. DE COURCEL.

NUMBER 1896/2.

GERMANY (Deutsche-Asiatische Bank), GREAT BRITAIN (Hongkong and Shanghai Banking Corporation) AND CHINA.

Agreement for the Chinese Imperial Government Five Per Cent Sterling Loan of 1896.—March 23, 1896.*

This agreement is made between the Tsungli Yamen Peking acting on behalf of the Imperial Government of China of the one part and the Hongkong and

* In connection with this agreement see also Agreement for the Chinese Imperial Government 4½% Gold Loan of 1898, signed March 1, 1898 (No. 1898/3, *post*).

Shanghai Banking Corporation and Deutsch-Asiatische Bank representing an Anglo-German Syndicate hereinafter called " the Syndicate "—of the other part.

Whereas a Preliminary Agreement for an Imperial Chinese Government five per cent gold loan was executed by the above contracting parties on the eleventh day of March one thousand eight hundred and ninety six,

And whereas on the seventeenth day of March one thousand eight hundred and ninety six telegraphic advice was received from the Syndicate in Europe that they are prepared to issue the loan on the conditions specified in that preliminary agreement,

And whereas in terms of clause thirteen of the preliminary agreement an Imperial Edict has been issued on the first day of the second month of the twenty second year of the Emperor Kuang-Hsü being the fourteenth day of March one thousand eight hundred and ninety six sanctioning the loan on the terms named in the Preliminary Agreement copies of which Imperial Edict have been officially handed by the Tsungli Yamen to the Minister for Germany and to the Chargé d'Affaires for Great Britain in Peking.

It is now agreed as follows:

1.—The Imperial Government of China authorizes the Syndicate to issue an Imperial Chinese Government five per cent Sterling loan for the amount of sixteen million pounds Sterling.

2.—The loan shall be dated the first day of April one thousand eight hundred and ninety six and shall be entitled the " Chinese Imperial Government five per cent Sterling loan of one thousand eight hundred and ninety six." The loan shall be issued in two series, the first of which shall be for ten million pounds Sterling and shall be issued as soon as possible after the signing of this agreement. The balance of the loan shall be issued not later than the first of October of the present year, the two series to be extinguishd simultaneously.

3.—The rate of interest for the loan shall be five per cent per annum, on the nominal principal, that is shall be eight hundred thousand pounds per annum and shall be paid by the Chinese Government to the Syndicate in monthly instalments calculated from the first day of April one thousand eight hundred and ninety six and in accordance with the amounts and dates of the Schedule attached to this Agreement.

4.—The term of the loan shall be thirty six years, and repayment of principal shall be made by a yearly sinking-fund of one hundred and sixty six thousand nine hundred and fifty two pounds Sterling which shall be paid by the Chinese Government to the Syndicate in monthly instalments, in accordance with the amounts and dates of the Schedule attached to this Agreement. During the term of thirty six years the amortisation shall not be increased nor the loan converted nor redeemed by the Chinese Government.

5.—The total monthly payment due for amortisation and interest and amounting to eighty thousand five hundred and seventy-nine pounds six shillings and eight pence shall be made in equal shares and in accordance with the amounts and dates of the Schedule attached to this agreement, to the Hongkong and Shanghai Banking Corporation and Deutsch-Asiatische Bank by the Imperial Government of China who shall hand to those banks at their branches in Shang-

hai on the date named in the Schedule, funds in Shanghai Sycee sufficient to meet each such payment in sterling in Europe, the rate of exchange for which shall be settled with those two banks on the same day. The Syndicate retains the right to re-arrange the service of interest and repayments of principal to the Bondholders on such terms as it deems advisable.

6.—The Syndicate shall issue and is hereby authorised to issue, to subscribers of the loan, bonds for the total amount of the loan in pounds Sterling, in such form, in such languages and for such amounts as shall appear advisable to the Syndicate and these bonds shall be sealed by the Minister for China in London or Berlin as evidence that the Imperial Government of China is bound thereby.

7.—This entire loan of sixteen million pounds, subject to previous loans charged on the same security and not yet redeemed, shall be charged on the Imperial Maritime Customs Revenue of China and shall have priority both regarding principal and interest over all future loans, charges and mortgages so long as this loan or any part thereof shall be unredeemed. No loan, charge or mortgage shall be raised or created which shall take precedence of or be on equality with this loan or which shall in any manner lessen or impair its security over the said Customs Revenue so far as required for the annual service of this loan and any future loan charge or mortgage charged on the said Customs revenue shall be made subject to this loan and it shall be so expressed in every agreement for any such future loan charge or mortgage. In the event of the Imperial Maritime Customs Revenue of China, at any time proving insufficient to support the service of the interest or repayment of the principal of this loan the Imperial Chinese Government will provide the funds required for the same from other sources. The administration of the Imperial Maritime Customs of China shall continue as at present constituted, during the currency of this loan.

8.—This loan shall be further secured by Customs Bonds for the total amount in Sterling of the loan principal and interest, issued and sealed by the Tsung-li-yamen and the Board of Revenue, Peking, and countersigned by the Inspector General of Customs and all such Customs Bonds shall contain the priority clause number seven of this Agreement. These Customs bonds shall be handed in equal shares to the Imperial German Legation, Peking, and the Hongkong and Shanghai Banking Corporation before payment to the Chinese Government of the proceeds of the loan.

9.—This loan shall also be further collaterally secured by deposit with the Hongkong and Shanghai Banking Corporation and Deutsch-Asiatische Bank of sterling Customs Bonds equal in value altogether to the total amount of the loan, principal and interest, sealed by the Chinese Superintendent of Customs at Shanghai and by the Viceroy of the Liang Kiang Provinces and countersigned by the foreign Commissioner of Customs at Shanghai. These Customs bonds shall be handed to the Hongkong and Shanghai Banking Corporation and Deutsch-Asiatische Bank at their branches in Shanghai in equal shares on or before the fifteenth day of April next and in the event of the money to meet a payment of interest and/or sinking fund, not being handed to the Hongkong and Shanghai Banking Corporation and Deutsch-Asiatische Bank at their

Branches in Shanghai on due date shall be available for payment of Imperial Maritime Customs duties at all or any of the treaty ports of China, the authorities of which shall be instructed by Imperial Edict accordingly or shall be available in such other manner as stated in the Bonds.

10.—No further loans shall be issued by the Chinese Imperial Government until a period of six months has elapsed after the issue of the total amount of this loan.

11.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from Chinese taxes and imposts forever.

12.—All details necessary for the prospectus and connected with the service to the bondholders of the interest and repayments of the principal of this loan, not herein explicitly provided for, shall be left to the arrangement of this Syndicate who shall issue and are hereby authorized to issue a prospectus of the loan as soon as possible after the signing of this agreement. The Imperial Government of China will instruct the Chinese Ministers in London and Berlin in communication with the Commissioner of Chinese Customs in London to co-operate with the representatives of the Syndicate in any matters requiring conjoint action; and the Chinese Minister in Berlin will sign the prospectus of the loan as required by the rules of the Berlin Stock-Exchange.

13.—The Syndicate hereby takes the loan firm at the price of ninety-four per cent net on the nominal principal to the Chinese Government and will hold the net proceeds namely fifteen millions and forty thousand pounds sterling to the order of the Chinese Government in London as soon as possible after the signing of this Agreement, and in such instalments and at such dates as the provisions of the Prospectus shall admit. The sum of eight million pounds sterling shall be made so available not later than the sixth day of May next.

14.—In the event of any extraordinary political or financial crisis taking place in Europe within six months by which the markets and the prices of existing Government stocks are so violently affected as to render the successful issue of the balance of this loan impossible on the terms herein named the Syndicate have the right to withdraw from their contract with the Chinese Imperial Government which shall in that case become null and void so far as regards the balance of this loan then unissued.

15.—The provisions of this Agreement shall immediately after signature and before the issue to the public of the prospectus of the loan, be confirmed and sanctioned by an Imperial Edict, which shall be officially communicated by the Tsungli Yamen to the Minister for Germany and Chargé d'Affaires for Great Britain in Peking.

16.—The English and German Syndicates shall take the loan in equal shares and without responsibility for each other.

17.—Triplicate sets of this agreement are executed in English and Chinese, one set to be retained by each contracting party. In the event of any doubt arising regarding the interpretation of the contract the English text shall be accepted as the standard.

18.—Signed by the contracting parties this 10th day of the second month

of the twenty second year of the Emperor Kuang Hsu, being the twenty third day of March one thousand eight hundred and ninety six Western Calendar.

For the Hongkong and Shanghai Banking Corporation,
(Sgd.) E. G. HILLIER,
Agent.
For the Deutsch-Asiatische Bank,
(Sgd.) FRANZ URBIG.

Schedule of interest and sinking fund payments.

Date.	Interest.	Sinking fund.	Total.
1896.	£ s. d.	£ s. d.	£ s. d.
August 20	133,333 6 8	27,825 6 8	161,158 13 4
September 5	133,333 6 8	27,825 6 8	161,158 13 4
September 20	133,333 6 8	27,825 6 8	161,158 13 4
			[a] 483,476
October 20	66,666 13 4	13,912 13 4	80,579 6 8
November 20	66,666 13 4	13,912 13 4	80,579 6 8
December 20	66,666 13 4	13,912 13 4	80,579 6 8

[a] Less interest at 5 per cent on £6,000,000 calculated from first April to the first day of the month of its issue, Western Calendar.

The same payment of eighty thousand five hundred and seventy nine pounds six shillings and eight pence shall be repeated on the twentieth day of each month of the year one thousand eight hundred and ninety seven Western Calendar and of each succeeding year until the twentieth day of March one thousand nine hundred and thirty two inclusive that being the last payment when the loan will be extinguished.

(Sgd.) E. G. HILLIER.
(Sgd.) FRANZ URBIG.

NUMBER 1896/3.

DENMARK (Great Northern Telegraph Company), GREAT BRITAIN (Eastern Extension, Australasia and China Telegraph Company, Ltd.) AND CHINA.

Convention regulating the relations between the Chinese Telegraph Administration and the companies.—July 11, 1896.*

THE Imperial Chinese Telegraph Administration, hereinafter called the Administration, on the one part, and the Great Northern Telegraph Company of

* Text as printed in *Hertslet,* p. 1140. Printed also in *Recueil,* p. 183. In connection with this convention see the following telegraph conventions: With Great Northern, May

Copenhagen, and the Eastern Extension, Australasia, and China Telegraph Company (Limited), hereinafter called the Companies, on the other part, being desirous of facilitating international telegraphic communication, have decided to conclude a Convention, with a view to regulate the relations between the Administration and the Companies. Consequently, the following stipulations have been agreed on, and, under date below given, signed by the Administration represented by its Director-General Sheng Hsuen Huai, and by the Companies represented by their respective managers in China, viz., Mr. J. Henningsen and Mr. W. Judd, all three duly furnished with full and special powers for this purpose.

ARTICLE I.—1. The total charge per word fixed in francs in the annexed Table stipulated in Article XI of the present Convention for telegrams exchanged terminally between China, on the one side, and Europe (Russia excepted), America, and, when transiting Europe, all other countries beyond Europe on the other side, is to be the same by the routes of the Companies viâ India (Madras), and viâ Russia in Asia, as by the routes of the Administration viâ Russia in Asia.

2. This equalisation of total charges shall be effected by the necessary regulation of the Administration's terminal charge viâ Russia in Asia, and of the Companies' cable charges respectively between China and India (Madras), and between China and Russia in Asia.

3. For the same telegrams as described under Section I in this Article viâ other routes, present and future, across the land frontiers of China the Administration undertakes, when concluding, renewing, or revising Telegraph Conventions, to fix their proportion of the total charges in such manner that the total charges collected for the said telegrams viâ such routes at the time of the concluding, renewing, or revising of such Conventions shall in no case be lower than the total charges collected for the same telegrams when exchanged by the normal routes above described under Section 1 of this Article.

The Companies on their side undertake a corresponding obligation for the same telegrams viâ all routes, present or future, established beyond the termini of their systems in India and in Russia in Asia.

4. The stipulations under Sections 1, 2, and 3 of this Article shall apply equally to telegrams exchanged terminally between the British Colony of Hong Kong, on the one side, and Europe (Russia excepted), America, and, transiting Europe, all other countries beyond Europe on the other side.

5. With regard to the telegrams specified under Sections 1, 3, and 4 of this Article transmitted by other routes, present or future, than those specified under Sections 1 and 3 of this Article, the Administration and the Companies reciprocally undertake to do all in their power to protect the joint interests established by the present Convention, and to carry to the Joint Purse stipulated in Article II of the present Convention all revenues accruing to the Administration or to the Companies from the said traffic coming under Sections 1 and 3 of this Article,

13, 1897 (No. 1897/3, *post*); with Great Northern and Eastern Extension, October 26, 1900 (No. 1900/6, *post*); with Great Northern, and with Eastern Extension, October 22, 1902. See also the agreement of the British Government with the Eastern Extension, April 23, 1901 (No. 1901/1, *post*). See also Note to this document, *post*, p. 67.

and passing any of their lines, excepting the revenue accruing to their lines in Europe.

II.—1. The total revenue of the proportions of the total charges of the Administration and of both Companies for all telegrams coming under Article I, Sections 1, 3, and 5, as fixed in the Table stipulated in Article XI of the present Convention, whichever be the route followed, shall be carried to a Joint Purse account and divided between the Contracting Parties in the following proportion, viz.:—

One-third to the Administration, one-third to each of the two Companies, provided always that each of the Contracting Parties shall bear its own working expenses.

2. Considering this division of revenue the Administration undertakes to levy no additional terminal charge for telegrams specified in Section 1 of Article I of the present Convention, forwarded viâ the cables of the Companies. This also applies to the same telegrams transmitted by the existing route viâ Saigon-Moulmein, as defined in the Table stipulated in Article XI of the present Convention.

3. The Administration, as well as the Companies, shall maintain their sections of the routes mentioned in Article I of the present Convention in good condition.

III.—The Companies renounce the special charges hitherto levied on their telegraph lines by land and sea between the Kowloon boundary and Hong Kong, in accordance with the Agreement dated the 21st January, 1884, between the Administration and the Eastern Extension, Australasia, and China Telegraph Company (Limited); and the Administration renounces the special charges hitherto levied on their telegraph lines by land and sea between Woosung and Shanghai and between Sharp Peak and Foochow, in accordance with the Agreement dated the 19th May, 1883, between the Administration and the Great Northern Telegraph Company of Copenhagen, and in accordance with Agreements dated the 7th May, 1883, and the 17th October, 1884, between the Administration and the Eastern Extension, Australasia, and China Telegraph Company (Limited).

IV.—1. The collection of the charges mentioned in Article I of the present Convention shall take place at the same rate of exchange of the coin in which the charges are collected by the Administration and by the Companies at their stations in China and at Hong Kong.

2. To this end the Administration and the Companies shall annually at the end of the foreign calendar year determine the average value of that coin in francs, and this value shall serve as the rate of exchange for the collection of charges and for the settlement of accounts during the year following.

3. Should the Administration and the Companies be unable to agree on the average value of that coin in francs, the question shall be referred for settlement to the Manager of one of the leading foreign banks at Shanghai.

V.—For telegrams transiting China, and exchanged between Europe (Russia excepted), America, and, when transiting Europe, all other countries beyond Europe, on the one side, and all other countries on the other side, the Administra-

tion undertakes, when concluding, renewing, or revising Telegraph Conventions, to fix a transit charge which shall not be less than its terminal charge at the time collected for telegrams described under Sections 1 and 3 of Article I of the present Convention.

VI.—The Contracting Parties recognise the principle of collecting charges and settling accounts at the actual silver equivalent of international charges fixed in gold, and undertake in each case when so requested by the other Administrations concerned with whom they have concluded Telegraph Conventions, also to apply this principle to the collection and settlement of such international charges.

VII.—For international telegrams exchanged by the Companies' cable routes with other countries than those specified in Article I of the present Convention, the Administration undertakes to establish an uniform terminal charge in francs, which shall not be higher than the average of the terminal charges which are fixed, or shall be fixed, for such traffic when sent by the other telegraph routes of China.

VIII.—1. The Administration and the Companies undertake to fix equal charges on their respective lines between Shanghai, Foochow, Amoy, Hong Kong, for telegrams exchanged terminally between these ports.

2. The Administration as well as the Companies undertake to transmit between all the said ports all terminal telegrams handed to their offices, and the total charges collected for these telegrams by the two Contracting Parties shall be divided in the following manner, viz.:—

The Administration's share is the total of the charges collected for all telegrams exchanged terminally between Shanghai and Foochow, between Shanghai and Amoy, and between Foochow and Amoy.

The Company's share is the total of the charges collected for all telegrams exchanged terminally between Hong Kong, on the one side, and Amoy, Foochow, and Shanghai on the other side.

3. International telegrams other than those provided for in Article II of the present Convention, and which pass between the above four stations, are not comprised in the division stipulated in the present Convention, but each of the Contracting Parties retains its own revenue for such telegrams. However, they agree to fix equal charges for such telegrams.

IX.—1. The Administration and the Companies shall at all their controlling stations keep correct abstracts of all telegrams specified in Article II and in Article VIII of the present Convention.

2. A Controller of the Administration at the Companies' stations at Shanghai, Foochow, Amoy, and Hong Kong, and a Controller of the Companies at the Administration's controlling stations, present and future, shall have free admittance to the offices, in order to check and control the correctness of the journals, abstracts, and accounts as far as necessary for the purposes of the present Convention.

3. The appointment of Controllers is in each case subject to the approval respectively of the Administration or the Companies to whom they are accredited, which shall also have the right to demand their recall if considered necessary.

4. All the said Controllers of the Companies at the Administration's controlling stations shall have their names placed on the registers of their respective nationalities. Each of them shall respect the laws of China, and conform with the Treaties made by their respective countries with the Government of China. But the Administration cannot undertake any responsibility for their personal safety.

5. They shall respect the authority of the local Manager; and their salaries as well as all other expenses are to be paid by their employers.

X.—1. The settlement of accounts for all telegrams exchanged between the Administration and the Companies, as well as of the division of revenue stipulated in Article II and in Article VIII of the present Convention, shall be established monthly at Shanghai, and paid at Shanghai within six weeks after the end of the month in account.

2. To this end the results of the abstracts of the controlling stations, signed by the Controllers of the two Contracting Parties, stipulated for in Article IX of the present Convention, or by the representative of the Administration at the controlling stations where no Controller of the Companies be actually present, shall be telegraphed to Shanghai, to be entered in the accounts settled there, subject to subsequent revision, after receipt in Shanghai of the said signed abstracts and copies of telegrams abstracted.

3. The month shall be reckoned according to the European calendar.

4. Telegrams referring to the settlement and payment of accounts shall be considered as service telegrams, and transmitted free of charge.

XI.—1. To the present Convention is annexed a Table signed by the Contracting Parties, and showing the charges which shall be applied by the Administration and by the Companies to telegrams described in Articles II and VIII of the present Convention, as soon as it comes into force, and also the rate of exchange at which the collection of charges and the settlement of accounts shall take place, as well as the amount of contribution to the Joint Purse.

2. This Table will be subject to revision by the Contracting Parties periodically, and in accordance with the stipulations of the present Convention.

XII.—The rules laid down in the Service Regulations of the International Telegraph Convention shall be observed with regard to the technical treatment of telegrams exchanged between the Administration and the Companies; and both Contracting Parties undertake to do all in their power to prevent re-transmission and other circumventions of the rules to the detriment of either party.

XIII.—As both the Administration and the Companies are under obligations to treat certain Government or press telegrams passing the routes named in Sections 1, 3, and 5 of Article I and Article VIII of the present Convention in an exceptional manner, it is agreed that the proceeds of the proportions of the total charges accruing to the Administration or the Companies shall be carried to the Joint Purse, and divided according to Article II and Article VIII of the present Convention, as shown in the Table stipulated in Article XI of the present Convention.

XIV.—1. The present Convention cannot be mortgaged, sold, or other-

wise transferred, wholly or partly; neither can any creditor or others acquire it wholly or partly, in case of liquidation, compulsory or otherwise.

2. Any difference arising between the Contracting Parties touching the construction of the present Convention shall be referred for decision to the Governments (or their Legations at Peking) which have ratified it.

XV.—The Companies shall not extend their present cable system on Chinese territory without the consent of the Administration; but the following existing Agreements between the Administration and the two Companies are to be extended, to continue in force for the period of the present Convention unaltered, excepting as varied by the present Convention:—

Agreement between the Administration and the Great Northern Telegraph Company of Copenhagen, dated the 19th May, 1883; Agreements between the Administration and the Eastern Extension, Australasia, and China Telegraph Company (Limited), dated the 31st March, 1883, 7th May, 1883, 21st January, 1884, and 17th October, 1884.

XVI.—1. The present Convention shall be ratified by Tsung-li Yamên, and by the Ministers at Peking for Russia, Great Britain, and Denmark.

2. It shall be put into execution from the first day of the month following the date of its ratification, and shall remain in force until the 31st December, 1910, and shall thereafter continue in force until six months after one of the Contracting Parties shall have given notice of its intention to modify or to abrogate it.

In witness whereof the Undersigned, duly authorized to this effect, have signed the present Convention.

Done in Shanghai in the French language, in the English language, and in the Chinese language. Three expeditions duly compared and found to be in agreement, have been signed in each of these languages, on the 11th day of the month of July, 1896, corresponding with the 1st day of the 6th moon, of the 22nd year of the reign of Kwang Hsu.

For the Imperial Chinese Telegraph Administration,
SHENG HSUEN HUAI, *Director-General.*
(Seal of Administration.)

For the Great Northern Telegraph Company of Copenhagen,
J. HENNINGSEN, *Manager in China.*

For the Eastern Extension, Australasia, and China Telegraph Company (Limited),
WALTER JUDD, *Manager in China.*

Seen and approved:
CLAUDE M. MACDONALD. (Seal of Legation.)
Her Britannic Majesty's Minister Plenipotentiary.

Vu et approuvé:
COMTE CASSINI. (Seal.)
Ministre de Russie et de Danemark.

(Seal of Tsung-li Yamên.)

TABLE DRAWN UP IN EXECUTION OF THE STIPULATION IN ARTICLE XI OF THE CONVENTION DATED JULY 11, 1896.

Charges per Single Word of Ordinary Telegrams.

1. Total charge for terminal telegrams by the routes defined in Article I, Section 1, of the Convention between China and Hong Kong, on the one side, and Europe (Russia excepted), on the other side, 8 fr. 50 c., at the rate of exchange of 8 fr. 50 c., equal to 2 dol. 75 c. (Mexican), to which must be added the out-payments beyond Europe.

This total charge of 8 fr. 50 c. will be reduced to 7 fr. simultaneously with the coming into force of the Tariffs adopted by the International Telegraph Conference at Buda-Pesth, 1896.

2. Transit charge stipulated in Article V of the Convention, 5 fr.

This charge will be calculated at the rate of exchange stipulated in the Administration's Conventions with other Administrations.

3. Local charges between the ports of Shanghai, Foochow, Amoy, Hong Kong (Article VIII of the Convention):—

(*a*) Between the ports of Shanghai and Hong Kong, 40 cents of a Mexican dollar.

(*b*) Between either of the ports of Shanghai or Hong Kong, on the the one side, and the ports of Amoy and Foochow, on the other side; and between the ports of Amoy and Foochow, 20 cents of a Mexican dollar.

(*c*) *Bonâ fide* Chinese telegrams at half the charges stipulated under (*a*) and (*b*). *Bonâ fide* Chinese telegrams will be defined from time to time by mutual agreement between the Administration and the Companies.

Contribution to the Joint Purse per Single Word of Ordinary Telegrams. (Article I, Sections 1, 3, and 5; Article XIII of the Convention.)

1. By routes described in Article I, Section 1, of the Convention, 5 fr., at the rate of exchange of 8 fr. 50 c., equal to 2 dol. 75 c. (Mexican).

2. By routes described in Article I, Section 3, of the Convention—

(*a*) Viâ cable termini, 5 fr., at the rate of exchange of 8 fr. 50 c., equal to 2 dol. 75 c. (Mexican).

(*b*) Viâ land frontiers, 5 fr., at the rate of exchange stipulated in the Administration's Conventions for those junctions for the collection of charges.

3. By the Companies' cables viâ Saigon-Moulmein, 2 fr. 42½ c., at the rate of exchange of 8 fr. 50 c., equal to 2 dol. 75 c. (Mexican).

4. Chinese Government telegrams exchanged between China, on the one side, and Europe (Russia excepted), America, and, when transiting Europe, all other countries beyond Europe, on the other side, pass at half charges over the cables in Asia of both Companies, and whichever be the route followed contribute nothing to the Joint Purse, and are not included in the division described in Article II of the Convention.

5. British Government telegrams and French Government telegrams coming under Article II of the Convention pass the cables of the Eastern Extension, Australasia, and China Telegraph Company (Limited), at half charges; and shall, when passing by those cables, contribute to the Joint Purse one-half of the normal contribution.

6. French Government telegrams coming under Article II of the Convention pass free of charge over the cables of the Great Northern Telegraph Company of Copenhagen; and shall, when passing by those cables, contribute nothing to the Joint Purse.

7. Press telegrams between the Companies' stations in China, on the one side, and Europe (Russia excepted), on the other side, shall, when passing the cables of the Eastern Extension, Australasia, and China Telegraph Company (Limited), contribute to the Joint Purse the full amount of the proportion due to those cables, which is at present fixed at 1 fr. 82½ c., at the exchange of 1 fr., equal to 40 cents of a Mexican dollar.

Should such press telegrams be admitted at reduced charges over the lines of the Administration, or the Great Northern Telegraph Company of Copenhagen, they will con-

tribute to the Joint Purse the actual proportion of the charges due to the Administration or the Great Northern Telegraph Company of Copenhagen.

8. Simultaneously with the reduction from 8 fr. 50 c. to 7 fr. of the total charge named in Article I, Section 1, of the Convention, the contribution to the Joint Purse shall be revised, and shall be calculated upon the same principle as that adopted in fixing that contribution in the present table.

Special Telegrams at reduced Charges.

1. Chinese Government telegrams originating and terminating in China shall pass at half charges over the Companies' cables between Shanghai, Foochow, Amoy, Hong Kong, always provided that Chinese Government telegrams exchanged terminally between Hong Kong, on the one side, and Amoy, Foochow, Shanghai, on the other side, by the lines of the Administration shall not be included in the division stipulated in Article VIII of the Convention.

2. British Government telegrams exchanged between Shanghai, Foochow, Hong Kong, by the Eastern Extension, Australasia, and China Telegraph Company's cables, shall pass at half charges.

3. French Government telegrams exchanged between Shanghai, Amoy, Hong Kong, by the Great Northern Telegraph Company's cables shall pass free of charge.

4. Japanese Government telegrams between Shanghai, Foochow, Amoy, Hong Kong, by the cables of both Companies shall pass at half charges.

5. Press telegrams exchanged terminally between Hong Kong and Shanghai by the cables of both Companies shall pass at half charges.

6. Chinese Government telegrams are those which emanate from the Chief of the State, Tsung-li Yamên, the Board of Admiralty, the Viceroys and Governors of provinces, Commanders-in-chief of land and sea forces, Ministers and Diplomatic and Consular Agents of China. Such Government telegrams should bear the seal or stamp of the authority that sends them.

7. Other Government telegrams named in this table are defined according to the Service Regulations of the International Telegraph Convention.

Rate of Exchange.

Except as otherwise provided in the present table and until further agreed on, the normal rate of exchange between francs and Mexican dollars shall be taken to be 1 fr. equal to 40 cents of a Mexican dollar.

In witness whereof the Undersigned, duly authorized to this effect, have signed the present table. Done in Shanghai, in the French language, in the English language, and in the Chinese language. Three expeditions duly compared and found to be in agreement have been signed in each of these languages, on the 11th day of the month of July, 1896, corresponding with the 1st day of the 6th moon of the 22nd year of the reign of Kwang Hsu.

For the Imperial Chinese Telegraph Administration,
SHENG HSUEN HUAI, *Director-General.*
(Seal of Administration.)

For the Great Northern Telegraph Company of Copenhagen,
J. HENNINGSEN, *Manager in China.*

For the Eastern Extension, Australasia, and China Telegraph Company (Limited),
WALTER JUDD, *Manager in China.*

Seen and approved:
CLAUDE M. MACDONALD. (Seal of Legation.)
Her Britannic Majesty's Minister Plenipotentiary.

Vu et approuvé:
COMTE CASSINI. (Seal.)
Ministre de Russie et de Danemark.

(Seal of Tsung-li Yamên.)

Note.

The situation of the Chinese Telegraph Administration in relation to the several cable companies is somewhat obscure by reason of the fact that some of the more important agreements have not been made public. It is understood that, by agreements of 1904 and 1905, the Commercial Pacific and German-Dutch Cable Companies were admitted to participation with the Eastern Extension and Great Northern Companies in their interest under the joint purse arrangement provided in Article 2 of this Convention; and that further agreements concluded between the Chinese Administration and the latter two companies were concluded in 1904, 1911 and 1913, in which provision was made for the modification of the joint purse arrangement, and the term of all telegraph agreements between the Chinese Administration and the Eastern Extension and Great Northern Companies was extended to December 31st, 1930.

The following is the text, as printed in *B. & F. State Papers,* Vol. 107, p. 726, of the Additional Article to the Convention of July 11, 1896, which was signed at Peking, December 22, 1913:—

Additional Article to Telegraph Convention of 1896.—December 22, 1913.

"In connection with the Agreement entered into on the 11th July, 1896, between the Imperial Chinese Telegraph Administration, on the one part, and the Great Northern Telegraph Company (Limited) and the Eastern Extension Australasia and China Telegraph Company (Limited), on the other part, the following additional Article has been agreed upon and under date given signed by the Chinese Government, represented by Mr. C. C. Lung, the Director-General of Telegraph Directorates of Chiao Tung Pu, and by the companies represented by Captain H. Rothe, Co-General Manager of the Great Northern Telegraph Company (Limited), and Mr. W. Bullard, Manager in China of the Eastern Extension Australasia and China Telegraph Company (Limited), each duly furnished with full and special powers for this purpose, and now witnesseth that in the interest of both parties to the Agreement, dated the 11th July, 1896, and for the same term of years, that is, till the 31st December, 1930, no other party will be allowed without the consent of both the said parties to land telegraph cables on the coast of China and islands belonging thereto, or to work such cables in connection with the Chinese lines, or otherwise to establish telegraph connections which might create competition with or injure the interests of the existing lines belonging to China or to the cable companies. This shall, however, not prevent the Chinese Government from establishing local internal cables where no competition can arise, neither shall it prevent the transmission of terminal Formosa traffic over the Foochow-Formosa cable, now belonging to Japan, whilst other traffic must not be exchanged by this line except with the consent of China and of the cable companies.

"The present additional Article shall be ratified by the Wai Chiao Pu and by the Ministers at Peking for Denmark and Great Britain.

"In witness whereof the undersigned, duly authorized to this effect, have signed the present additional Article.

"Done in Peking in the English language and in the Chinese language. Six expeditions duly compared and found to be in Agreement have been signed in each of these languages on the 22nd day of the month of December, 1913, corresponding with the 22nd day of the 12th moon of the 2nd year of the Chinese Republic.

"For the Chinese Government,
"C. C. Lung,
"The Director-General of Telegraph Directorates.
"For the Great Northern Telegraph Company (Limited),
"H. Rothe,
Co-General Manager.
"For the Eastern Extension Australasia and China Telegraph Company (Limited),
"W. Bullard,
Manager in China.

"Seen and approved:
"P. Ahlefeldt Laurvig,
Minister for Denmark. (Seal.)

"J. N. Jordan,
His Britannic Majesty's Minister. (Seal of British Legation.)
"(Seal of Wai Chiao Pu.)"

This Additional Article is stated (*op. cit.*) to have been ratified by the Chinese, Danish and British Governments on December 31, 1913.

NUMBER 1896/4.

JAPAN AND CHINA.

Treaty of Commerce and Navigation.—July 21, 1896.*

His Majesty the Emperor of Japan and His Majesty the Emperor of China, having resolved, in pursuance of the provisions of Articles VI, of the Treaty signed at Shimonoseki on the 17th day of the 4th month of the 28th year of Meiji, corresponding to the 23rd day of the 3rd month of the 21st year of Kuang Hsü, to conclude a Treaty of Commerce and Navigation, have for that purpose named as Their Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan, Baron Hayashi Tadasu, Shoshii, Grand Cross of the Imperial Order of the Sacred Treasure, Grand Officer of the Imperial Order of the Rising Sun, Minister Plenipotentiary and Envoy Extraordinary; and His Majesty the Emperor of China, Chang Yen Hoon, Minister Plenipotentiary, Minister of the Tsungli-yamen, Holding the rank of the President of a Board and Senior Vice-President of the Board of Revenue:

Who, after having communicated to each other their Full Powers found to be in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE I.—**Peace and friendship.**—There shall be perpetual peace and friendship between His Majesty the Emperor of Japan and His Majesty the Emperor of China, and between their respective subjects who shall enjoy equally in the respective countries of the High Contracting Parties full and entire protection for their persons and property.

ARTICLE II.—**Diplomatic agents; prerogatives, immunities.**—It is agreed by the High Contracting Parties that His Majesty the Emperor of Japan may, if he see fit, accredit a Diplomatic Agent to the Court of Peking and His Majesty the Emperor of China may, if he see fit, accredit a Diplomatic Agent to the Court of Tokio.

The Diplomatic Agents thus accredited shall respectively enjoy all the prerogatives, privileges and immunities accorded by international law to such Agents and they shall also in all respects be entitled to the treatment extended to similar Agents of the most favoured nation.

Their persons, families, suites, establishments, residences and correspondence shall be held inviolable. They shall be at liberty to select and appoint their own officers, couriers, interpreters, servants and attendants without any kind of molestation.

ARTICLE III.—**Consular agents; privileges, immunities.**—His Majesty the Emperor of Japan may appoint Consuls-General, Consuls, Vice-Consuls, and

* Text as printed in *Rockhill*, p. 30. Printed also in *Customs*, Vol. II, p. 604; *Traités et Conventions*, 137; *Hertslet*, p. 373; *Recueil*, p. 197.

In connection with this treaty, see also the Protocol in regard to Japanese settlements and other matters, October 19, 1896 (No. 1896/6, *post*), and Supplementary Treaty of Commerce and Navigation, October 8, 1903 (No. 1903/4, *post*).

Consular Agents to reside at such of the ports, cities and towns of China, which are now, or may hereafter be, opened to foreign residence and trade, as the interests of the Empire of Japan may require.

These officers shall be treated with due respect by the Chinese Authorities, and they shall enjoy all the attributes, authority, jurisdiction, privileges and immunities which are, or may hereafter be, extended to similar officers of the nation most favoured in these respects.

His Majesty the Emperor of China may likewise appoint Consuls-General, Consuls, Vice-Consuls and Consular Agents to reside at any or all of those places in Japan, where Consular officers of other nations are now, or may hereafter, be admitted, and, saving in the matter of jurisdiction in respect of Chinese subjects and property in Japan, which is reserved to the Japanese Judicial Courts, they shall enjoy the rights and privileges that are usually accorded to such officers.

ARTICLE IV.—**Residential, trading, and other rights of Japanese in China.**—Japanese subjects may, with their families, employés and servants, frequent, reside and carry on trade, industries and manufactures, or pursue any other lawful avocations in all the ports, cities and towns of China, which are now, or may hereafter be, opened to foreign residence and trade. They are at liberty to proceed to or from any of the open ports with their merchandise and effects, and within the localities at those places which have already been, or may hereafter be, set apart for the use and occupation of foreigners, they are allowed to rent or purchase houses, rent or lease land, and to build churches, cemeteries and hospitals, enjoying in all respects the same privileges and immunities as are now, or may hereafter be, granted to the subjects or citizens of the most favoured nation.

ARTICLE V.—**Ports of call in China.**—Japanese vessels may touch for the purpose of landing and shipping passengers and merchandise in accordance with the existing Rules and Regulations concerning foreign trade there at all those places in China, which are now ports of call, namely, Ngan-ching, Ta-tung, Hukow, Wu-sueh, Lu-chi-kow and Woosung and such other places as may hereafter be made ports of call also. If any vessel should unlawfully enter ports other than open ports and ports of call in China or carry on clandestine trade along the coast or rivers, the vessel with her cargo shall be subject to confiscation by the Chinese Government.

ARTICLE VI.†—**Passports.**—Japanese subjects may travel, for their pleasure or for purposes of trade, to all parts of the interior of China, under passports issued by Japanese Consuls and countersigned by the Local Authorities. These passports, if demanded, must be produced for examination in the localities passed through. If the passports be not irregular, the bearers will be allowed to proceed and no opposition shall be offered to their hiring of persons, animals, carts or vessels for their own conveyance or for the carriage of their personal effects or merchandise. If they be without passports or if they commit any offence against the law, they shall be handed over to the nearest Consul for punishment, but they shall only be subject to necessary restraint and in no case to ill-usage.

† In reference to this Article, see, however, the Exchange of Notes of January 29th, 1918 (No. 1918/3, *post*).

Such passports shall remain in force for a period of thirteen Chinese months from the date of issue. Any Japanese subject travelling in the interior without passport shall be liable to a fine not exceeding three hundred Taels.‡ Japanese subjects may, however, without passports go on excursions from any of the ports open to trade, to a distance not exceeding one hundred Chinese *li* and for a period not exceeding five days. The provisions of this Article do not apply to crews of ships.

Article VII.—**Chinese employed by Japanese.**—Japanese subjects residing in the open ports of China may take into their service Chinese subjects and employ them in any lawful capacity without restraint or hindrance from the Chinese Government or Authorities.

Article VIII.—**Hiring of boats. Monopolies. Smuggling.**—Japanese subjects may hire whatever boats they please for the conveyance of cargo or passengers and the sum to be paid for such boats shall be settled between the parties themselves, without the interference of the Chinese Government or officers. No limit shall be put upon the number of boats, neither shall a monopoly in respect either of the boats or of the porters or coolies engaged in carrying goods be granted to any parties. If any smuggling takes place in them the offenders will of course be punished according to law.

Article IX.—**Tariff. Favored-nation treatment.**—The Tariffs and Tariff Rules now in force between China and the Western Powers shall be applicable to all articles upon importation into China by Japanese subjects or from Japan, or upon exportation from China by Japanese subjects or to Japan. It is clearly understood that all articles, the importation or exportation of which is not expressly limited or prohibited by the Tariffs and Tariff Rules existing between China and the Western Powers, may be freely imported into and exported from China, subject only to the payment of the stipulated import or export duties. But in no case shall Japanese subjects be called upon to pay in China other or higher import or export duties than are, or may be, paid by the subjects or citizens of the most favoured nation; nor shall any article imported into China from Japan or exported from China to Japan be charged upon such importation or exportation, other or higher duties than are now, or may hereafter be, imposed in China on the like article when imported from or exported to the nation most favoured in those respects.

Article X.—**Exemption of all Japanese goods from transit and other taxes between open ports.**—All articles duly imported into China by Japanese subjects or from Japan shall, while being transported, subject to the existing Regulations, from one open port to another, be wholly exempt from all taxes, imposts, duties, *lekin*, charges and exactions of every nature and kind whatsoever, irrespective of the nationality of the owner or possessor of the articles, or the nationality of the conveyance or vessel in which the transportation is made.

Article XI.—**Transit dues.**—It shall be at the option of any Japanese subject desiring to convey duly imported articles to an inland market to clear his goods of all transit duties by payment of a commutation transit tax or duty, equal to one-half of the import duty in respect of dutiable articles, and two and a half

‡ See the German Treaty of 1880, Article 6, ¶ 2.

per cent. upon the value in respect of duty free articles; and on payment thereof a certificate shall be issued, which shall exempt the goods from all further inland charges whatsoever. It is understood that this Article does not apply to imported opium.

ARTICLE XII.—**Goods purchased for exportation only subject to transit and export duties.**—All Chinese goods and produce purchased by Japanese subjects in China elsewhere than at an open port thereof and intended for export abroad, shall in every part of China be freed from all taxes, imposts, duties, *lekin,* charges and exactions of every nature and kind whatsoever, saving only export duties when exported, upon the payment of a commutation transit tax or duty calculated at the rate mentioned in the last preceding Article substituting export duty for import duty, provided such goods and produce are actually exported to a foreign country within the period of twelve months from the date of the payment of the transit tax; all Chinese goods and produce purchased by Japanese subjects at the open ports of China and of which export to foreign countries is not prohibited shall be exempt from all internal taxes, imposts, duties, *lekin,* charges and exactions of every nature and kind whatsoever, saving only export duties upon exportation and all articles purchased by Japanese subjects in any part of China, may also, for the purposes of export abroad, be transported from open port to open port, subject to the existing Rules and Regulations.

ARTICLE XIII.—**Re-exportation of foreign goods. Drawback certificates.**—Merchandise of a *bona fide* foreign origin, in respect of which full import duty shall have been paid, may at any time within three years from the date of importation be re-exported from China by Japanese subjects to any foreign country, without the payment of any export duty; and the re-exporters shall, in addition, be entitled forthwith to receive from the Chinese Customs drawback certificates for the amount of import duty paid thereon, provided that the merchandise remains intact and unchanged in its original packages. Such drawback certificates shall be immediately redeemable in ready money by the Chinese Customs Authorities at the option of the holders thereof.

ARTICLE XIV.—**Bonded warehouses.**—The Chinese Government consents to the establishment of Bonded Warehouses at the several open ports of China. Regulations on the subject shall be made hereafter.

ARTICLE XV.—**Tonnage dues.**—Japanese merchant vessels of more than one hundred and fifty tons burden, entering the open ports of China, shall be charged tonnage dues at the rate of four *mace* per registered ton; if of one hundred and fifty tons and under, they shall be charged at the rate of one *mace* per registered ton. But any such vessel taking its departure within forty-eight hours after arrival, without breaking bulk, shall be exempt from the payment of tonnage dues.

Japanese vessels having paid the above specified tonnage dues shall thereafter be exempt from all tonnage dues in all the open ports and ports of call of China for the period of four months from the date of clearance from the port where the payment of such tonnage dues is made. Japanese vessels shall not, however, be required to pay tonnage dues for the period during which they are actually undergoing repairs in China.

No tonnage dues shall be payable on small vessels and boats employed by Japanese subjects in the conveyance of passengers, baggage, letters or duty free articles between any of the open ports of China. All small vessels and cargo boats, however, conveying merchandise which is, at the time of such conveyance, subject to duty, shall pay tonnage dues once in four months at the rate of one *mace* per ton.

No fee or charges other than tonnage dues shall be levied upon Japanese vessels and boats, and it is also understood that such vessels and boats shall not be required to pay other or higher tonnage dues than the vessels and boats of the most favoured nation.

ARTICLE XVI.—**Use of pilots.**—Any Japanese merchant vessel arriving at an open port of China shall be at liberty to engage the services of a pilot to take her into port. In like manner, after she has discharged all legal dues and duties and is ready to take her departure, she shall be allowed to employ a pilot to take her out of port.

ARTICLE XVII.—**Vessels seeking place of refuge. Rescued cargo and persons.**—Japanese merchant vessels compelled on account of injury sustained or any other cause to seek a place of refuge shall be permitted to enter any nearest port of China, without being subject to the payment of tonnage dues or duties upon goods landed in order that repairs to the vessel may be effected, provided the goods so landed remain under the supervision of the Customs Authorities. Should any such vessel be stranded or wrecked on the coast of China, the Chinese Authorities shall immediately adopt measures for rescuing the passengers and crew and for securing the vessel and cargo. The persons thus saved shall receive friendly treatment, and, if necessary, shall be furnished with means of conveyance to the nearest Consular station. Should any Chinese merchant vessel be compelled on account of injury sustained or any other cause to seek a place of refuge in the nearest port of Japan, she shall likewise be treated in the same way by the Japanese Authorities.

ARTICLE XVIII.—**Smuggling.**—The Chinese Authorities at the several open ports shall adopt such means as they may judge most proper to prevent the revenue suffering from fraud or smuggling.

ARTICLE XIX.—**Robbers and pirates.**—If any Japanese vessel be plundered by Chinese robbers or pirates, it shall be the duty of the Chinese Authorities to use every endeavor to capture and punish the said robbers or pirates, and to recover and restore the stolen property.

ARTICLE XX.—**Jurisdiction over Japanese persons and property.**—Jurisdiction over the persons and property of Japanese subjects in China is reserved exclusively to the duly authorized Japanese Authorities, who shall hear and determine all cases brought against Japanese subjects or property by Japanese subjects, or by the subjects or citizens of any other Power, without the intervention of the Chinese Authorities.

ARTICLE XXI.—**Mixed cases.**—If the Chinese Auhorities or a Chinese subject make any charge or complaint of a civil nature against Japanese subjects or in respect of Japanese property in China, the case shall be heard and decided by the Japanese Authorities.

In like manner all charges and complaints of a civil nature brought by Japanese Authorities or subjects in China against Chinese subjects or in respect of Chinese property, shall be heard and determined by the Chinese Authorities.

ARTICLE XXII.—**Crimes and offenses.**—Japanese subjects charged with the commission of any crimes or offences in China shall be tried, and, if found guilty, punished by the Japanese Authorities according to the laws of Japan.

In like manner Chinese subjects charged with the commission of any crimes or offences against Japanese subjects in China shall be tried, and, if found guilty, punished by the Chinese Authorities according to the laws of China.

ARTICLE XXIII.—**Debts—absconding debtors.**—Should any Chinese subject fail to discharge debts incurred to a Japanese subject, or should he fraudulently abscond, the Chinese Authorities will do their utmost to effect his arrest, and enforce recovery of the debts. The Japanese Authorities will likewise do their utmost to bring to justice any Japanese subject who fraudulently absconds or fails to discharge debts incurred by him to a Chinese subject.

ARTICLE XXIV.—**Surrender of Japanese and Chinese absconding debtors.**—If Japanese subjects in China, who have committed offences or have failed to discharge debts and fraudulently abscond, should flee to the interior of China or take refuge in houses occupied by Chinese subjects or on board of Chinese ships, the Chinese Authorities shall, at the request of the Japanese Consul, deliver them to the Japanese Authorities.

In like manner if Chinese subjects in China, who have committed offences or have failed to discharge debts and fraudulently abscond, should take refuge in houses occupied by Japanese subjects in China or on board of Japanese ships in Chinese waters, they shall be delivered up at the request of the Chinese Authorities made to the Japanese Authorities.

ARTICLE XXV.—**Most favored nation treatment.**—The Japanese Government and its subjects are hereby confirmed in all privileges, immunities and advantages conferred on them by the Treaty stipulations between Japan and China, which are now in force; and it is hereby expressly stipulated that the Japanese Government and its subjects will be allowed free and equal participation in all privileges, immunities and advantages that may have been, or may be hereafter, granted by His Majesty the Emperor of China to the Government or subjects of any other nation.

ARTICLE XXVI.—**Revision.**—It is agreed that either of the High Contracting Parties may demand a revision of the Tariffs and of the Commercial Articles of this Treaty at the end of ten years from the date of the exchange of the ratifications; but if no such demand be made on either side and no such revision be effected, within six months after the end of the first ten years, then the Treaty and Tariffs, in their present form, shall remain in force for ten years more, reckoned from the end of the preceding ten years, and so it shall be at the end of each successive period of ten years.

ARTICLE XXVII.—**Rules and regulations putting treaty in effect.**—The High Contracting Parties will agree upon Rules and Regulations necessary to give full effect to this Treaty. Until such Rules and Regulations are brought into actual operation, the Arrangements, Rules and Regulations subsisting be-

tween China and the Western Powers, so far as they are applicable and not inconsistent with the provisions of this Treaty, shall be binding between the Contracting Parties.

ARTICLE XXVIII.—**English text authoritative.**—The present Treaty is signed in the Japanese, Chinese and English languages. In order, however, to prevent future discussions, the Plenipotentiaries of the High Contracting Parties have agreed upon that in case of any divergence in the interpretation between the Japanese and Chinese texts of the Treaty, the difference shall be settled by reference to the English text.

ARTICLE XXIX.—The present Treaty shall be ratified by His Majesty the Emperor of Japan and His Majesty the Emperor of China, and the ratifications thereof shall be exchanged at Peking as soon as possible, and not later than three months from the present date.§

In witness whereof, the respective Plenipotentiaries have signed the same, and have affixed thereto the seal of their arms.

Done at Peking this 21st day of the 7th month of the 29th year of Meiji, corresponding to the eleventh day of the sixth month of the 22nd year of Kuang Hsü.

[L. S.] HAYASHI TADASU,
Shoshii, Grand Cross of the Imperial Order of the Sacred Treasure, Grand Officer of the Imperial Order of the Rising Sun, Minister Plenipotentiary and Envoy Extraordinary.

[L. S.] CHANG YEN HOON,
Minister Plenipotentiary, Minister of the Tsungli-yamen, holding the rank of the President of a Board and Senior Vice President of the Board of Revenue.

NUMBER 1896/5.

RUSSIA (Russo-Chinese Bank)* AND CHINA.

Contract for the Construction and Operation of the Chinese Eastern Railway.†—September 8, 1896.

Between the undersigned, His Excellency Shu King-chen, Minister Plenipotentiary of His Majesty the Emperor of China, at St. Petersburg, acting by virtue of an Imperial Edict, dated Kuang Hsü, 22nd year, 7th month, 20th day (August 16/28, 1896), of the one part, and the Russo-Chinese Bank, of the other part, it has been agreed as follows:

The Chinese Government will pay the sum of five million Kuping taels

* See Note 1 to this document, *post*, p. 78.

† Translation from the French text as printed in *Soglashenia*, p. 4. French text printed also in *Customs*, Vol. I, p. 208; *Kent*, p. 211; *Wang*, p. 1. See Note 2 to this document, *post*, p. 78.

§ Ratifications exchanged at Peking, October 20, 1896.

(Kuping Tls.5,000,000.) to the Russo-Chinese Bank, and will participate in proportion to this payment in the profits and losses of the bank, on conditions set forth in a special contract.

The Chinese Government having decided upon the construction of a railway line, establishing direct communication between the city of Chita and the Russian South Ussuri Railway, entrusts the construction and operation of this railway to the Russo-Chinese Bank upon the following conditions:

1.—The Russo-Chinese Bank will establish for the construction and operation of this railway a company under the name of the Chinese Eastern Railway Company.‡

The seal which this Company will employ will be given to it by the Chinese Government. The statutes of this Company will be in conformity with the Russian usages in regard to railways. The shares of the Company can be acquired only by Chinese or Russian subjects. The president of this Company will be named by the Chinese Government, but paid by the Company. He may have his residence in Peking.

It will be the duty of the president to see particularly to the scrupulous fulfilment of the obligations of the Bank and of the Railway Company towards the Chinese Government; he will furthermore be responsible for the relations of the Bank and of the Railway Company with the Chinese Government and the central and local authorities.

The president of the Chinese Eastern Railway Company will likewise be responsible for examining all accounts of the Chinese Government with the Russo-Chinese Bank.

To facilitate local negotiations, the Russo-Chinese Bank will maintain an agent at Peking.

2.—The route of the line will be determined by the deputies of the president (named by the Chinese Government) of the Company, in mutual agreement with the engineers of the Company and the local authorities. In laying out this line, cemeteries and tombs, as also towns and villages, should so far as possible be avoided and passed by.

3.—The Company must commence the work within a period of twelve months from the day on which this contract shall be sanctioned by imperial decree, and must so carry it on that the whole line will be finished within a period of six years from the day on which the route of the line is definitely established and the lands necessary therefor are placed at the disposal of the Company. The gauge of the line should be the same as that of the Russian railways (5 Russian feet—about four feet, two and one-half inches, Chinese).

4.—The Chinese Government will give orders to the local authorities to assist the Company to the extent of their ability in obtaining, at current prices, the materials necessary for the construction of the railway, as also laborers, means of transport by water and by land, the provisions necessary for the feeding of men and animals, etc.

The Chinese Government should, as needed, take measures to facilitate such transportation.

‡ See Note 3 to this document, *post*, p. 84.

5.—The Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack.

The Company will have the right to employ at will, as many foreigners or natives as it may find necessary for the purpose of administration, etc.

Criminal cases, lawsuits, etc., upon the territory of the railway, must be settled by the local authorities in accordance with the stipulations of the treaties.§

6.‖—The lands actually necessary for the construction, operation, and protection of the line, as also the lands in the vicinity of the line necessary for procuring sand, stone, lime, etc., will be turned over to the Company freely, if these lands are the property of the State; if they belong to individuals, they will be turned over to the Company either upon a single payment or upon an annual rental to the proprietors, at current prices. The lands belonging to the Company will be exempt from all land taxes (*impôt foncier*).

The Company will have the absolute and exclusive right of administration of its lands. (*La Société aura le droit absolu et exclusif de l'administration de ses terrains.*)

The Company will have the right to construct on these lands buildings of all sorts, and likewise to construct and operate the telegraph necessary for the needs of the line.¶

The income of the Company, all its receipts and the charges for the transportation of passengers and merchandise, telegraphs, etc., will likewise be exempt from any tax or duty. Exception is made, however, as to mines, for which there will be a special arrangement.

7.—All goods and materials for the construction, operation, and repair of the line, will be exempt from any tax or customs duty and from any internal tax or duty.

8.—The Company is responsible that the Russian troops and war material, despatched in transit over the line, will be carried through directly from one Russian station to another, without for any pretext stopping on the way longer than is strictly necessary.

9.*—Passengers who are not Chinese subjects, if they wish to leave the territory of the railway, should be supplied with Chinese passports. The Company is responsible that passengers, who are not Chinese subjects, should not leave the territory of the railway if they do not have Chinese passports.

10.—Passengers' baggage, as well as merchandise despatched in transit from one Russian station to another, will not be subject to customs duties; they will likewise be exempt from any internal tax or duty. The Company is bound to despatch such merchandise, except passengers' baggage, in special cars, which, on arrival at the Chinese frontier, will be sealed by the office of the Chinese Customs, and cannot leave Chinese territory until after the office of the Customs shall have satisfied itself that the seals are intact; should it be established that these cars have been opened on the way without authorization, the merchandise would be confiscated.

* See Note 6 to this document, *post*, p. 90.
§ See Note 4 to this document, *post*, p. 88.
‖ See Note 5 to this document, *post*, p. 90.
¶ See the Agreement of October 7, 1907, in regard to the working of the Railway's telegraph lines (No. 1907/7, *post*).

Merchandise imported from Russia into China by the railway, and likewise merchandise exported from China into Russia by the same route, will respectively pay the import and export duty of the Chinese Maritime Customs, less one-third.

If merchandise is transported into the interior it will pay in addition the transit duty—equivalent to a half of the import duty collected—which frees it from any further charge.

Merchandise not paying the transit tax will be subject to all the barrier and likin duties imposed in the interior.

The Chinese Government must install customs offices at the two frontier points on the line.†

11.—The charges for the transportation of passengers and of merchandise, as well as for the loading and unloading of merchandise, are to be fixed by the Company, but it is obliged to transport free of charge the Chinese official letter post, and, at half price, Chinese land or sea forces and also Chinese war materials.

12.—The Chinese Government transfers to the Company the complete and exclusive right to operate the line on its own account and risk, so that the Chinese Government will in no case be responsible for any deficit whatsoever of the Company, during the time allotted for the work and thereafter for a further eighty years from the day on which the line is finished and traffic is in operation. This period having elapsed, the line, with all its appurtenances, will pass free of charge to the Chinese Government.

At the expiration of thirty-six years from the day on which the entire line is finished and traffic is in operation, the Chinese Government will have the right to buy back this line upon repaying in full all the capital involved, as well as all the debts contracted for this line, plus accrued interest.‡

If—in case the profit realized exceeds the dividends allowed to the shareholders—a part of such capital is repaid, that part will be deducted from the price of repurchase. In no case may the Chinese Government enter into possession of this line before the appropriate sum is deposited in the Russian State Bank.

The day when the line is finished and traffic is in operation, the Company will make to the Chinese Government a payment of five million Kuping taels (Kuping Tls. 5,000,000).

Kuang Hsü, 22nd year,
8th month, 2nd day.
(Signed) SHU.

Berlin, August 27/September 8, 1896.
RUSSO-CHINESE BANK
(Signed) ROTHSTEIN.
(Signed) PRINCE OUKHTOMSKY.

† See the Experimental Regulations for the establishment of customs houses in North Manchuria, agreed upon by an exchange of notes between the Chinese and Russian Governments, July 6 and 8, 1907 (No. 1907/10, *post*), and the Provisional Regulations for the working of Chinese customs houses at the stations of Manchuria and Pogranichnaya (Suifenho), May 30, 1908 (attached to No. 1907/10, *post*).

‡ See Note 7 to this document, *post*, p. 91.

Note 1.

The Russo-Chinese Bank was subsequently merged with the Banque du Nord under the name of the Russo-Asiatic Bank (*Banque Russo-Asiatique*) by a charter approved by the Russian Minister of Finance on July 30/August 12, 1910 (*Sobranie Uzakonenii i Rasporyazhenii Pravitelstva,* § 719, October 2/15, 1910, No. 96, Section 1). For extracts embodying the substance of the original charter of the Russo-Chinese Bank, under date of December 10/22 see *Rockhill,* p. 207. At page 185 of *Shina Kankei Tokushu Joyaku Isan* is given the Japanese translation of an agreement stated to have been concluded on the 20th day of the 7th moon of the 22nd year of Kuang Hsü (August 28, 1896) in regard to the Russo-Chinese Bank Association. The text, apparently translated from a Chinese original, is obscure; but the following is an approximate rendering:

Alleged Agreement between China and Russia regarding Russo-Chinese Bank Association.—August 28, 1896.

"Hsü, Chinese Minister Plenipotentiary to Russia, in pursuance of Imperial Orders of the 20th day of the 7th month of the 22nd year of Kuang Hsü, signed the following agreement in regard to the Russo-Chinese Bank Association:

"1.—The Chinese Government shall contribute a capital of 5,000,000 Kuping taels, and undertake the business in the form of an association under the name of the Russo-Chinese Bank. That is to say that, from the date that this amount is handed over to the Bank, all profit and loss will be borne in proportion to shares.

"2.—When a general account is made up on the first day of the first month of the Russian calendar, the account of profit and loss of the Chinese Government up to the end of the year shall be calculated in Kuping taels, in proportion to the shares held by the Chinese Government.

"3.—With regard to the profits which are obtained in accordance with the Statutes of the Bank, after first deducting a certain portion which is to be offered to the Bank Manager(s) as a bonus in reward for diligence, the remainder of the profits shall be divided between the Chinese Government and the Bank in proportion to the shares held by each. Provided, however, that 10% shall be deducted from the profits of the dividends as a reserve fund, and that when the profit exceeds 6% of the capital, 20% shall be deducted from the amount that exceeds 6%, and shall be given as a bonus to the Manager(s). If there is a loss in the business, the loss for which the Chinese Government is liable shall be paid out of the reserve fund

"4.—The monthly and annual reports of the said Bank shall, after obtaining the consent of the general meeting of shareholders, be transmitted by the Manager of the Bank residing in China to the Manager of the Chinese Eastern Railway appointed by the Chinese Government. After he has inspected them, the reports shall be returned.

"5.—If the Bank in question is closed as a result of circumstances or on account of losses, what remains of the capital is to be returned to the Chinese Government if, after balancing the accounts, the loss is found to be small."

Note 2.

In connection with this contract see also the following documents:

1. Convention between Russia and China for the lease of the Liaotung Peninsula, March 27, 1898 (No. 1898/5, *post*);
2. Additional Agreeement between Russia and China, defining the boundaries of the leased and neutralized territory in the Liaotung Peninsula, May 7, 1898 (No. 1898/9, *post*);
3. Agreement between the Chinese Eastern Railway Company and the Chinese Government for the Southern Manchurian Branch of the Railway, July 6, 1898 (No. 1898/15, *post*);
4. Exchange of Notes between Great Britain and Russia with regard to their respective railway interests in China, April 28, 1899 (No. 1899/3, *post.*);
5. Declaration of the Chinese Government in regard to railways north and north-east of Peking, June 1, 1899 (1899/5, *post*);
6. Agreement between Russia and China with regard to Manchuria, April 8, 1902 (No. 1902/3, *post*);
7. Treaty of peace between Japan and Russia, September 5, 1905 (No. 1905/8, *post*);
8. Treaty and Additional Agreement between Japan and China relating to Manchuria, December 22, 1905 (No. 1905/18, *post*);
9. Convention and Protocol relating to Japanese and Russian railway connections in Manchuria, June 13, 1907 (No. 1907/9, *post*);
10. Political Convention between Japan and Russia, July 30, 1907 (No. 1907/11, *post*);
11. Political Convention between Japan and Russia, July 4, 1910 (No. 1910/1, *post*);
12. Agreement between Great Britain and Russia respecting the inclusion of British

subjects within the scheme of municipal administration and taxation established in the area of the Chinese Eastern Railway, December 3, 1914 (No. 1914/14, *post*); and

13. Treaty between Japan and Russia in regard to cooperation in the Far East, July 3, 1916 (No. 1916/9, *post*).

It was long persistently rumored that the concession for the Chinese Eastern Railway was a first-fruit of a secret political agreement between China and Russia, which attained notoriety under the name of "The Cassini Convention." In its issue of October 30, 1896, the *North China Herald* published what purported to be a translation of that Convention, in an article which is of sufficient historical interest to warrant its reproduction in full, as follows:

The Cassini Convention.

"*28th Oct.*

"As our Peking correspondent told us in his last letter, Count Cassini, the Russian Minister, left Peking for Russia on the 30th of September. His baggage had been packed for three or more weeks, and the carts and mule litters were actually standing in the courts of the Russian Legation, but the Minister would not go until he could take with him duly signed and sealed 'an important agreement supposed to be the right of way for the Siberian railway across northern Manchuria.' With great difficulty we have succeeded in obtaining a copy of this agreement, and we now proceed to give an English translation of it. The numbers to the various clauses in this Convention have been added by us for convenience' sake:—

"A SPECIAL CONVENTION BETWEEN CHINA AND RUSSIA.

"His Imperial Majesty the Emperor of China having received the various benefits arising from the loyal support of His Imperial Majesty the Emperor of Russia at the close of the late war between China and Japan, and being desirous that the communications between the frontier territories of their respective empires and the international commerce of the two countries be managed to their mutual advantage, has commanded the mutual settlement of certain matters in order the better to consolidate the basis of friendship between the two empires. In this connection, therefore, H.I.M. the Emperor of China has specially appointed the Imperial High Commissioners the Princes and Great Officers of the Crown composing the Imperial Chinese Ministry of War, with plenipotentiary powers, to confer and agree upon certain matters, at Peking, with His Excellency Count Cassini, Envoy Extraordinary and Minister Plenipotentiary of H.I.M. the Emperor of Russia to the Court of China, concerning the connecting of the railway system of the Three Eastern Provinces [Fêngtien, Kirin, and Heilungchiang] with that of the Imperial Russian railway in the province of Siberia, with the object of facilitating the transport of goods between the two empires and of strengthening the frontier defences and seacoasts. And, furthermore, to agree upon certain special privileges to be conceded by China to Russia as a response to the loyal aid given by Russia in the retrocession of Liaotung and its dependencies.

"1.—Owing to the fact that the Russian Great Siberian Railway is on the point of completion, China consents to allow Russia to prolong her railway into Chinese territories (*a*) from the Russian port of Vladivostock into the Chinese city of Hunch'un in the province of Kirin, from thence northwestwards to the provincial capital of Kirin, and (*b*) from a railway station of some city in Siberia to the Chinese town of Aiyun in Heilungchiang province, from thence southwestwards to the provincial capital of Tsitsihar and from thence to the town of Petunê, in Kirin province, and from thence southeastwards to the provincial capital of Kirin.

"2.—All railways built by Russia into the Chinese provinces of Heilungchiang and Kirin shall be built at the sole expense of Russia and the regulations and building thereof shall be solely on the Russian system, with which China has nothing to do, and the entire control shall be in the hands of Russia for the space of thirty years. At the end of the said period China shall be allowed to prepare the necessary funds wherewith, after proper estimation of the value of the said railways, she shall redeem them, the rolling stock, machine shops, and buildings connected therewith. But as to how China will at that date redeem these railways shall be left for future consideration.

"3.—China is now in the possession of a railway which she intends to extend from Shanhaikuan into the provincial capital of Fêngtien, namely, Moukden (Shengking), and from Moukden to the provincial capital of Kirin. If China should hereafter find it inconvenient to build this road she shall allow Russia to provide the funds to build the railway from the city of Kirin, on behalf of China, the redemption of which road shall be permissible to China at the end of ten years. With reference to the route to be taken by this railway, Russia shall follow the surveys already made by China in connection therewith, from Kirin to Moukden, Newchwang, etc.

"4.—The railway to be built by China beginning from Shanhaikuan, in Fêngtien, to Newchwang, to Kaiping, to Chinchou, to Lushunk'ou [Port Arthur], and to Talienwan, and their dependencies, shall follow the Russian Railway regulations in order to facilitate the commercial intercourse between the respective Empires.

"5.—With reference to the railways to be built by Russia into Chinese territory, the routes along which the said roads shall pass must be protected, as usual, by the local civil and military officials of the country. They shall, moreover, afford all facilities and aid to the civil and military officials of Russia at the various railway stations, together with all the Russian artisans and labourers connected therewith. But owing to the fact that the said railways will pass for the greater part through barren and sparsely inhabited territory in which it will be difficult for the Chinese authorities to be always able to grant the necessary protection and aid, Russia shall be allowed to place special battalions of horse and foot soldiers at the various important stations for the better protection of the railway property.

"6.—With reference to the Customs duties to be collected on goods exported from and imported into the respective countries by the said railways, they shall follow the regulations provided by the Treaty of Commerce between China and Russia, ratified in the 1st year of the reign of T'sung Chih, 4th day, 2nd moon [20th February 1862 O.S.], regulating overland transit of goods between the two empires.

"7.—There has always been in existence a rule prohibiting the exploitation of the mines in Heilungchiang and Kirin provinces and in the Ch'angpai mountains [Long White Mountain range]. After the ratification of this treaty, Russians and subjects of the Chinese empire shall be permitted hereafter to exploit and open any of the mines therein mentioned; but before doing so they shall be required first to petition the Chinese local authorities on the subject who, on the other hand, shall grant the necessary commissions (*huchao*) in accordance with the mining regulations in force in China Proper.

"8.—Although there exist certain battalions of foreign-drilled troops (*Lienchun*) in the Three Eastern Provinces, yet the greater portion of the local territorial army corps thereof still follow the ancient regulations of the empire. Should, therefore, China in the future require to reform in accordance with the Western system the whole army organization of the said provinces, she shall be permitted to engage from Russia qualified military officers for that purpose and the rules for the guidance of this arrangement shall be in accordance with those obtaining in the Liangkiang provinces in regard to the German military officers now engaged there.

"9.—Russia has never possessed a seaport in Asia which is free from ice and open all the year round. If, therefore, there should suddenly arise military operations in this continent it will naturally be difficult for the Russian Eastern Seas and Pacific fleets to move about freely and at pleasure. As China is well aware of this she is willing to lease temporarily to Russia the port of Kiaochou [Chiaochou] in the province of Shantung, the period of such lease being limited to fifteen years. At the end of this period China shall buy all the barracks, godowns, machine shops and docks built there by Russia [during her occupation of the said port]. But, should there be no danger of military operations, Russia shall not enter immediately into possession of the said port or hold the important points dominating the port, in order to obviate the chance of exciting the jealousy and suspicions of other Powers. With reference to the amount of rent and the way it is to be paid, this shall form the subject of consideration in a protocol at some future date.

"10.—As the Liaotung ports of Lushunk'ou [Port Arthur] and Talienwan and their dependencies are important strategical points, it shall be incumbent upon China to properly fortify them with all haste, and to repair all their fortifications, etc., in order to provide against future dangers; Russia shall therefore lend all necessary assistance in helping to protect these two ports and shall not permit any Foreign Power to encroach upon them. China, on her part, also binds herself never to cede them to another country; but, if in future the exigencies of the case require it and Russia should find herself suddenly involved in a war, China consents to allow Russia temporarily to concentrate her land and naval forces within the said ports in order the better to enable Russia to attack the enemy or to guard her own position.

"11.—If, however, there be no dangers of military operations in which Russia is engaged China shall have entire control over the administration of the said ports of Lushunk'ou and Talienwan, nor shall Russia interfere in any way therein. But as regards the building of the railways in the Three Eastern Provinces and the exploitation and opening of the mines therein, they shall be permitted to be proceeded with immediately after the ratification of this Convention and at the pleasure of the people concerned therein. With reference to the civil and military officers of Russia and Russian merchants and traders traveling [in any part of the territories herein mentioned], wherever they shall go, they shall be given all the privileges of protection and facilities within the power of the local authorities, nor shall these officials be allowed to put obstructions in the way or delay the journeys of the Russian officers and subjects herein mentioned.

"12.—After this Convention shall have received the respective signatures of their Imperial Majesties [the Emperors of China and Russia], the articles included therein shall go into immediate force, and, with the exception of the clauses regarding Port Arthur, Talienwan, and Kiaochou, shall be notified to the various local authorities of the two Empires. As to the place for the exchange of ratifications, it shall be left to be decided at some future time, but the exchange shall take place within the space of six months.

"It has, furthermore, been agreed upon between the respective Plenipotentiaries of the High Contracting Powers to make this Convention out in three languages, namely, Chinese, Russian and French; one copy of each language to be held by the respective High Contracting Parties, after the signing and sealing thereof. And it has, furthermore, been shown, upon comparison, that the contents of the documents as given in the three languages aforesaid tally with each other in all respects; but in case of dispute in the future the wording of the French copy shall be deemed the correct version.

"This document speaks for itself, and gives Russia all she can want at present. It gives her the right to carry her Trans-Siberian Railway to Kirin in two directions, from some station in Siberia to the west of Kirin, and from Vladivostock. It provides that China may apply to Russia to build a continuation from Kirin to Shanhaikuan and Port Arthur, and it gives Russia the right to protect these lines when built with her own troops. All these lines are to be built to the Russian gauge. China gives Russians the right to work mines in Manchuria, and provides for the employment of Russian officers to drill the Manchurian levies. It gives Russia (on lease) the port of Kiaochou, and on emergency the use of Port Arthur and Talienwan, which are not to be ceded to any other Power; and it promises every facility to Russian merchants and travellers and Russian trade. All the most important points in the secret treaty which we gave to the world in March last are embodied in this, and time will show whether this is the full extent of China's gratitude to Russia."

For a criticism of this document, see Cordier's *Histoire des Relations de la Chine avec les Puissances Occidentales, 1860-1902*, vol. 2, p. 343.

In an article entitled "Manchuria—A Chinese View of the Situation," by "An Admirer of Li Hung Chang," which was published in the London *Daily Telegraph* of February 15, 1910, it was stated that while attending the Coronation ceremonies of Emperor Nicholas at Moscow, in May, 1896, Li Hung Chang concluded with the Russian Minister for Foreign Affairs (Prince Lobanoff-Rostovsky) a secret treaty of alliance, the French text of which was given together with the following English translation:

Treaty of Alliance between China and Russia.—May, 1896.

"ARTICLE I.—Every aggression directed by Japan, whether against Russian territory in Eastern Asia, or against the territory of China or that of Korea, shall be regarded as necessarily bringing about the immediate application of the present treaty.

"In this case the two High Contracting Parties engage to support each other reciprocally by all the land and sea forces of which they can dispose at that moment, and to assist each other as much as possible for the victualling of their respective forces.

"ARTICLE II.—As soon as the two High Contracting Parties shall be engaged in common action no treaty of peace with the adverse party can be concluded by one of them without the assent of the other.

"ARTICLE III.—During the military operations all the ports of China shall, in case of necessity, be open to Russian warships, which shall find there on the part of the Chinese authorities all the assistance of which they may stand in need.

"ARTICLE IV.—In order to facilitate the access of the Russian land troops to the menaced points, and to ensure their means of subsistence, the Chinese Government consents to the construction of a railway line across the Chinese provinces of the Amour [i.e., Heilungkiang] and of Guirin (Kirin) in the direction of Vladivostok. The junction of this railway with the Russian railway shall not serve as a pretext for any encroachment on Chinese territory nor for any infringement of the rights of sovereignty of his Majesty the Emperor of China. The construction and exploitation of this railway shall be accorded to the Russo-Chinese Bank, and the clauses of the Contract which shall be concluded for this purpose shall be duly discussed between the Chinese Minister in St. Petersburg and the Russo-Chinese Bank.

"ARTICLE V.—It is understood that in time of war, as indicated in Article I, Russia shall have the free use of the railway mentioned in Article IV, for the transport and provisioning of her troops. In time of peace Russia shall have the same right for the transit of her troops and stores, with stoppages, which shall not be justified by any other motive than the needs of the transport service.

"ARTICLE VI.—The present treaty shall come into force on the day when the contract stipulated in Article IV, shall have been confirmed by his Majesty the Emperor of China. It shall have from then force and value for a period of fifteen years. Six months before the expiration of this term the two High Contracting Parties shall deliberate concerning the prolongation of this treaty."

The substantial accuracy of the disclosure thus made would appear to be adequately confirmed by the following extract translated from *Ma Mission en Chine: 1893-1897* (Paris, Plon-Nourrit, 1918), by M. A. Gérard, who during the period indicated was French Minister to China:

"Although the treaty was intended to remain secret, I one day had in my hands for

a few minutes, during a visit which I made in the spring of 1897 to Li Hung Chang at his residence in Peking, the copy of the document which he had signed the previous year with Prince Lobanoff . . . The English translation of this text was published fifteen years later, when the treaty itself had expired, in the London *Daily Telegraph*, by the son of Li Hung Chang, Li Ching Mai, who was then Chinese Minister at the Court of St James, and who sought to defend his father's memory against unjust attacks. The treaty was in fact a treaty of alliance, concluded for a period of fifteen years, by which the Chinese Government obligated itself, in the event of an aggression by Japan, to place at the disposal of the Russian Government its ports and all means of defence. The principal clause of the treaty was the assent given by the Chinese Government to the construction and operation, in the Manchurian provinces of Amur (Heilungkiang) and Kirin, of a line of railway connecting with the Russian Siberian lines, the concession for which was made to the Russo-Chinese Bank by a contract to be signed between the Chinese Minister at St. Petersburg and the delegate of the Bank (Article IV). It was stipulated in Article VI that the treaty should come into force on the day on which the contract for the construction and operation of the railway should have been approved and ratified by the Emperor of China. . . .

"The English newspapers at Shanghai had published, long before it was signed, the alleged text of the treaty and of the contract. They published another so-called version in the month of October, 1896, some days after the ratification at Peking of the contract in regard to the railway. These various texts, to which the English press gave the name of the 'Cassini Convention,' were apocryphal. They confused the treaty of alliance, properly so called, with the railway contract. . . . The true facts as here outlined establish that there never was, properly speaking, any 'Cassini Convention'; that the treaty of alliance was concluded at St. Petersburg in the month of May, 1896, between Li Hung Chang and Prince Lobanoff; that the railway contract was signed on September 8th following, also at St. Petersburg, by the Chinese Minister, Shu Ching Cheng, and the delegates of the Russo-Asiatic Bank; and that it was this contract for whose definite ratification at Peking on September 30th Count Cassini waited before proceeding on his way to Russia."

In the summer of 1918, the military situation which had developed in Siberia led to a suggestion by the American Government for the unified control of the Siberian railway system (including the Chinese Eastern Railway), under the direction of Mr. John F. Stevens and the Russian Railway Corps associated with him, which the Government of the United States had placed at the disposal of the Russian Government during the Kerensky régime, and which had been entrusted by that administration with the reorganization of traffic between European Russia and Vladivostok. The overthrow of the Kerensky Government had interrupted the work of Mr. Stevens and his associates; the Bolsheviks, in co-operation with liberated German and Austrian prisoners of war, had taken possession of the Trans-Baikal, Amur and Ussuri sections of the Siberian system, and inhibited all traffic thereon save in their own interests; the liberated Czecho-Slovak prisoners had been prevented from passing eastwards over the line in order to join the forces of the Allies in Europe; to assist them and to protect the military stores accumulated at Vladivostok, the American, British, Chinese, French, Italian and Japanese Governments had despatched expeditionary forces to occupy Vladivostok and take possession of the several branches of the Ussuri Railway; the Japanese and Chinese Governments, in pursuance of the military agreement of March 25, 1918 (No. 1918/4, *post*), had taken possession of the Chinese Eastern Railway, and, after the opening of the main Trans-Siberian line by the Czecho-Slovak forces, of the Trans-Baikal Railway as far west as Chita. The railway service had become so disorganized as to be incapable of satisfying the economic needs of Siberia, or even the military requirements of the Allied forces. Under these circumstances, the American Government offered the suggestion that, for the purpose of more efficient technical management, and without prejudice to any claims of financial or political interest, the Siberian railway system (including therein the Chinese Eastern Railway) should during the existing emergency be entrusted to a Commission directed by Mr. Stevens. The other interested Governments having indicated their willingness to accept any arrangement to that end which might be agreed upon between the American and Japanese Governments, negotiations ensued between the American Ambassador at Tokyo and the Japanese Minister for Foreign Affairs, which on January 9, 1919, resulted in an informal agreement as subsequently (March 17, 1919) announced by the Japanese Foreign Office, to the following effect:—

Agreement regarding Inter-Allied Supervision of Siberian Railway System.—January 9, 1919.

"Plan for the supervision of the Chinese Eastern and the Trans-Siberian Railways in the zone in which the Allied military Forces are now operating.

"1.—The general supervision of the railways in the zone in which the Allied Forces are now operating shall be exercised by a special Inter-Allied Committee, which shall consist of representatives from each Allied Power having military forces in Siberia, including Russia, and the Chairman of which shall be a Russian.

"The following boards shall be created, to be placed under the control of the Inter-Allied Committee,

"(a) A Technical Board consisting of railway experts of the nations having military forces in Siberia, for the purpose of administering technical and economic management of all railways in the said zone.

"(b) An Allied Military Transportation Board, for the purpose of co-ordinating military transportation under instructions of the proper military authorities.

"2.—The protection of the railways shall be placed under the Allied military forces. At the head of each railway shall remain a Russian manager or director with the powers conferred by existing Russian law.

"3.—The Technical Board shall elect a President to whom shall be intrusted the technical operation of the Railways. In matters of such technical operation, the President may issue instructions to the Russian officials mentioned in the preceding clause. He may appoint assistants and inspectors in the service of the Board, chosen from among the nationals of the Powers having military forces in Siberia, to be attached to the central office of the Board, and define their duties. He may assign, if necessary, the corps of railway experts to the more important stations. In assigning railway experts to any of the stations, interests of the respective Allied Powers in charge of military protection of such stations shall be taken into due consideration. He shall distribute the work among the clerical staff of the Board whom he may appoint in his discretion.

"4.—The clerical staff of the Inter-Allied Committee shall be appointed by the Chairman of the Committee who shall have the right of distributing the work among such employees, as well as of dismissing them.

"5.—The present arrangement shall cease to be operative upon withdrawal of the foreign military forces from Siberia, and all the foreign railway experts appointed under this arrangement shall then be recalled forthwith."

Simultaneously and in furtherance of this Plan the Japanese Minister for Foreign Affairs approved and adopted the following Memorandum in reference thereto:—

"*Memorandum.*

"*American Embassy, Tokyo.*

"As the result of informal conversations with Viscount Uchida it is understood—

"First: That Viscount Uchida will forward the amended plan to Viscount Ishii, with instructions to present it to the Department of State and to explain that it is submitted with the understanding that Mr. Stevens be named as President.

"Second: That the Inter-Allied Committee shall be composed of one representative of each of the following Governments: China, France, Great Britain, Italy, Japan, Russia, the United States, leaving question of Czecho-Slovaks to be discussed.

"Third: That each of the above named Governments shall select one technical railway expert for membership on the Technical Board.

"Fourth: That Mr. Stevens' selection as President shall not prevent his selection as a member of the Technical Board.

"Fifth: That the Government of Japan and the United States shall at once advise the above named Associated Governments of agreed plan, including the understanding in reference to the selection of Mr. Stevens and request their adherence and cordial cooperation.

"Sixth: That this plan shall be interpreted as a sincere effort temporarily to operate the Chinese Eastern and Trans-Siberian Railways in the interest of the Russian people, with a view to their ultimate return to those in interest, without the impairing of any existing rights; That in intrusting to Mr. Stevens, as President, the Technical operation of these railways it is understood the Government of Japan and the United States are both prepared to give him the authority and support which will be necessary to make his efforts effective.

"Tokyo, January 9, 1919."

The Plan, as construed by the Memorandum of January 9th, having thereafter been formally approved by the Government of the United States, under a reservation of financial responsibility, and on the explicit understanding that the word "interests" (as used in section 3 of the Plan) should be construed as implying only military convenience as distinguished from any political or territorial rights or spheres of interest, was later submitted to the other Governments concerned, and accepted by them. The system of technical control thus contemplated was put into effect on March 10, 1919.

At a meeting of the commanders of the allied expeditionary forces in Siberia, held at Vladivostok during April, 1919, it was decided to allocate as follows the military protection of the several sections of the Trans-Siberian and Chinese Eastern Railway systems:—

United States:

Ussuri Railway, from Vladivostok (inclusive) to Nikolsk (exclusive); branch to Suchan Mines; and section from Spasskoe to Ussuri;

Trans-Baikal Railway, from Verkhneudinsk (inclusive) to Baikal City (inclusive); and

At Harbin, garrison of 1,000 men.

China:
Chinese Eastern Railway, from Nikolsk (inclusive) to Manchuli (exclusive), and from Harbin to Changchun (inclusive); and
Ussuri to Guberovo.
Japan:
Ussuri Railway, from Nikolsk to Spasskoe, and from Guberovo to Habarovsk;
Amur Railway, entire; and
Trans-Baikal Railway, from Manchuli (inclusive) to Verkhneudinsk (exclusive).

Note 3.

The statutes or charter of the Chinese Eastern Railway Company are given as follows (in abridged translation) in *Rockhill,* p. 215 (citing *B. & F. State Papers,* Vol. 88, p. 773, and *Official Gazette,* No. 137, December 11/23, 1896):

Statutes of the Chinese Eastern Railway Company

"St. Petersburg, December 4/16, 1896.

[Translation.]

"The Minister of Finances presented on the 8/20th December, 1896, to the Ruling Senate for publication a copy of the Statutes of the Chinese Eastern Railway Company, which were Imperially confirmed on the 4/16th December, 1896.

Statutes of the Chinese Eastern Railway Company.

"**Formation of the Company.**—§ 1. On the strength of the Agreement concluded on the 27th August/8th September, 1896, by the Imperial Chinese Government with the Russo-Chinese Bank, a Company is formed under the name of the "Eastern Chinese Railway Company" for the construction and working of a railway within the confines of China from one of the points on the western borders of the Provinces of Hei-Lun-Tsian, to one of the points on the eastern borders of the Province of Ghirin and for the connection of this railway with those branches which the Imperial Russian Government will construct to the Chinese frontier from Trans-Baikalia and the southern Ussuri lines. [*Observation.* The Company is empowered, subject to the sanction of the Chinese Government, to exploit, in connection with the railway or independently of it, coal mines, as also to exploit in China other enterprises—mining, industrial, and commercial. For the working of these enterprises which may be independent of the railway, the Company shall keep accounts separate from those of the railway.]

"The formation of the Company shall be undertaken by the Russo-Chinese Bank.

"With the formation of the Company all rights and obligations are transferred to it in regard to the construction and working of the line ceded in virtue of the above-named Agreement of the 27th August/8th September, 1896.

"The Company shall be recognized as formed on the presentation to the Minister of Finances of a warrant of the State Bank certifying the payment of the first instalment on the shares. In any case such payment must be made not later than two months from the day of confirmation of the present Statutes.

"The succeeding instalments on the shares shall be paid in such orders of gradation that the shares shall be fully paid up at their nominal value not later than one year from the day of formation of the Company.

"Owners of shares of the Company may only be Russian and Chinese subjects.

"**Term of Concession.**—§ 2. In virtue of the Agreement with the Chinese Government, the Company shall retain possession of Chinese Eastern Railway during the course of eighty years from the day of the opening of traffic along the whole line.

"**Obligation towards the Russian Government.**—§ 3. In recognition that the enterprise of the Chinese Eastern Railway will be realized only owing to the guarantee given by the Russian Government in regard to the revenue of the line for covering working expenses as well as for effecting the obligatory payments on the bonds (§§ 11, 16), the Company, on its part, binds itself to the Russian Government during the whole term of the Concession under the following obligations:—

"(*a*) The Chinese Eastern Railway with all its appurtenances and rolling-stock must be always maintained in full order for satisfying all the requirements of the service of the line, in regard to the safety, comfort, and uninterrupted conveyance of passengers and goods;

"(*b*) The traffic on the Chinese Eastern line must be maintained conformably with the degree of traffic on the Russian railway lines adjoining the Chinese line;

"(*c*) The trains of all descriptions running between the Russian Trans-Baikal and

Ussuri lines shall be received by the Chinese Eastern Railway and dispatched to their destination in full complement without delay;

"(*d*) All through trains, both passenger and goods, shall be dispatched by the Eastern Chinese Railway at rates of speed not lower than those which shall be adopted on the Siberian Railway;

"(*e*) The Chinese Eastern Railway is bound to establish and maintain a telegraph along the whole extent of the line and to connect it with the telegraph-wire of the Russian adjoining railways, and to receive and dispatch without delay through telegrams sent from one frontier station of the line to another, as also telegrams sent from Russia to China, and conversely;

"(*f*) Should, with the development of traffic on the Chinese Eastern Railway, its technical organization prove insufficient for satisfying the requirements of a regular and uninterrupted passenger and goods traffic, the Chinese Eastern Railway shall immediately, on receipt of a notification on the part of the Russian railways to augment its capacity to a corresponding degree, adopt the necessary measures for further developing its technical organization and the traffic on it. In the event of a difference of opinion arising between the above-mentioned railways, the Chinese Eastern Railway shall submit to the decision of the Russian Minister of Finances. If the means at the command of the Chinese Eastern Railway prove insufficient for carrying out the necessary work of its development, the Board of Management of the railway may at all times apply to the Russian Minister of Finances for pecuniary assistance on the part of the Russian Government;

"(*g*) For all transit conveyance of passengers and goods, as also for the transmission of telegrams there will be established by agreement of the Company with the Russian Government for the whole term of duration of the Concession (§ 2), maximum tariffs, which cannot be raised without the consent of the Russian Government during the whole term above referred to. Within these limits the tariffs of direct communication both for railway carriage and telegrams will be fixed by the Board of Management of the Company on the strength of a mutual agreement with the Russian Minister of Finances;

"(*h*) The Russian letter and parcels-post, as also the officials accompanying the same, shall be carried by the Chinese Eastern Railway free of charge.

"For this purpose the company shall set apart in each ordinary passenger train a carriage compartment of 3 fathoms in length. The Russian postal authorities may, moreover, if they deem it necessary, place on the line postal carriages, constructed by them at their own cost; and the repair, maintenance (interior fittings excepted) as well as the running of such carriages with the trains shall be free of charge and at the cost of the railway.

"The above-mentioned engagements, by which, as already stated, the grant of a guarantee by the Russian Government is conditioned and the consequent realization of the enterprise of the Chinese Eastern Railway, shall be binding on the railway until the same, after the expiration of the eighty years' term of the Concession, shall without payment become the property of the Chinese Government (§ 29). The redemption of the line from the Company before the above-mentioned term in accordance with § 30 of the present Statutes shall not in any way diminish the effect of the above specified engagements, and these latter, together with the railway, shall be transferred to its new proprietor.

"In the same manner during the course of the whole eighty years' term of the Concession (§ 2) the following privileges granted to the railway by the Imperial Chinese Government shall remain in force:—

"(*a*) Passengers' luggage, as also goods, carried in transit from one Russian station shall not be liable to any Chinese customs duties, and shall be exempt from all internal Chinese dues and taxes;

"(*b*) The rates for the carriage of passengers and goods, for telegrams, &c., shall be free from all Chinese taxes and dues;

"(*c*) Goods imported from Russia into China by rail and exported from China to Russia in the same manner shall pay respectively an import or export Chinese duty to the extent of one-third less as compared with the duty imposed at Chinese seaport customhouses.

"(*d*) If goods imported by the railway are destined for conveyance inland they shall in such case be subject to payment of transit duty to the extent of one-half of the import duty levied on them, and they shall then be exempted from any additional imposts. Goods which shall not have paid transit duty shall be liable to payment of all established internal barrier and likin dues.

"**Immunities of the Company in Regard to Russian Customs Dues.**—§ 4. In regard to the place of acquisition of materials for the requirements of the railway, the Company shall not be liable to any limitations.

"If materials be obtained beyond the confines of Russia, they shall, on importation through Russian territory, be freed from payment of Russian customs duties.

"**Technical Conditions; Periods of Time for the Commencement and Termination**

of the Work.—§ 5. The breadth of the railway track must be the same as that of the Russian lines (5 feet).

"The Company must commence the work not later than the 16th August, 1897, and conduct it in such a manner that the whole line shall be completed not later than six years from the time when the direction of the line shall be finally determined and the necessary land assigned to the Company.

"When tracing the line of the railway, cemeteries and graves, as also towns and villages, must as far as possible, be left aside of the railway.

"When effecting the connection, in accordance with § 1 of these Statutes, of the Chinese Eastern Railway with the Russian Trans-Baikal and South Ussuri lines the Company shall have the right, with a view of reduction of expenditure, of abstaining from building its own frontier stations and of utilizing the frontier stations of the above-named Russian lines. The conditions on which they shall be utilized shall be determined by agreement of the Board of the Company with the Boards of the respective railways.

"**Tariffs.**—§ 6. The tariffs for the carriage of passengers and goods, as also for supplementary carriage rates, shall be determined by the Company itself, within the limits indicated in § 3.

"**Order of Examination of Legal Suits, and the Establishment of Rules for Railway Conveyance.**—§ 7. Offences, litigation, &c., on the territory of the Chinese Eastern Railway shall be dealt with by local authorities, Chinese and Russian, on the basis of existing Treaties.

"In regard to the carriage of passengers and goods, the responsibility for such conveyance, the lapse of time for claims, the order of recovering money from the railway when adjudged, and the relations of the railway to the public shall be defined in rules drawn up by the Company and established before the opening of the railway traffic; these rules shall be framed in accordance with those existing on Russian railways.

"**Maintenance of Security and Order on the Railway.**—§ 8. The Chinese Government has undertaken to adopt measures for securing the safety of the railway and of all employed on it against any extraneous attacks.

"The preservation of law and order on the lands assigned to the railway and its appurtenances shall be confided to police agents appointed by the Company.

"The Company shall for this purpose draw up and establish police regulations.

"**Foundation Capital of the Company.**—§ 9. The whole amount of the capital of the Company shall be determined according to the cost of construction calculated on the basis of estimates framed when the survey of the line was carried out. The foundation capital shall be charged with—

"(*a*) The payment of interest and amortization of the foundation capital during the construction of the railway;

"(*b*) The purchase from the Russian Government of the results of the surveys of the direction of the railway to Manchuria, which were made by Russian engineers, the sum payable for these surveys being determined by agreement of the Russian Minister of Finances with the Company.

"The capital of the Company shall be formed by the issue of shares and bonds.

"**Share Capital.**—§ 10. The share capital of the Company shall be fixed at 5,000,000 nominal credit roubles, and divided into 1,000 shares at 5,000 nominal credit roubles.

"The shares are to be issued at their nominal value.

"The guarantee of the Russian Government does not extend to them.

"**Bond Capital; Guarantee of Russian Government on Bonds.**—§ 11. The remaining portion of the capital of the Company will be formed by the issue of bonds. The bonds will be issued as required, and each time with the special sanction of the Minister of Finances. The nominal amount and value of each separate issue of bonds, the time and condition of the issue, as also the form of these bonds, shall be subject to the sanction of the Minister of Finances.

"The Russian Government will guarantee the interest on and amortization of the bonds.

"For the realization of these bonds the Company must have recourse to the Russo-Chinese Bank, but the Russian Government reserves to itself the right of appropriating the bond loan at a price which shall be determined between the Company and the Bank, and to pay the Company the agreed amount in ready money.

"**Guarantee of Realized Bond Capital.**—§ 12. As payments are received for bonds guaranteed by the Russian Government, the Company shall be bound to keep such sums, or interest bearing securities purchased with the same by permission of the Russian Minister of Finances, under the special supervision of the Russian Ministry of Finances.

"Out of the above receipts the Company shall have the right to make the following payments:—

"(*a*) According to actual fulfilment of the work in progress, and execution of orders, and at the time when various expenditures shall become necessary, such payments to be made on the scale and on the conditions specified in the working estimates;

"(*b*) During the construction of the line, of interest, as it becomes due, on the bonds issued by the Company, subject to the conditions of their issue, and the Company

shall pay the sums necessary for the above purpose within the limits of the amount realized by it in the issue of its bonds.

"**Shares.**—§ 13. On the payment of the first allotment on the shares, the founders shall receive temporary certificates on which subsequently, when the Board of Management of the Company shall have been formed, the receipt of the further instalments on the shares will be inscribed.

"When the shares shall be fully paid up the temporary certificates issued to the founders shall be replaced by shares.

"The shares of the Company are issued to bearer, under the signature of not fewer than three members of the Board of Management. To the shares will be attached a coupon sheet for the receipt once yearly under them of any dividend that may be payable.

"On the coupon sheets becoming exhausted new sheets will be issued.

"A dividend on the shares out of the net profits of any year, supposing such accrue, shall be payable on the adoption by the general meeting of shareholders of the Annual Report for that year, and the dividend shall be payable at the offices of the Company, or at such places which it may indicate.

"The Company shall notify for general information in the 'Official Gazette' and in the 'Finance Messenger,' as also in one of the Chinese newspapers, the amount and place of payment of the dividend.

"**Reserve Capital.**—§ 14. The reserve capital is destined—

"(*a*) For the capital repair of the railway, its buildings and appurtenances;

"(*b*) For defraying extraordinary expenditure of the Company in repairing the railway and its appurtenances.

"The reserve capital of the Company is formed out of annual sums put aside from the net profits of the working of the railway (§ 17).

"The reserve capital must be kept in Russian State interest bearing securities, or in railway bonds guaranteed by the Russian Government.

"At the expiration of the term of possession of the railway by the Company the reserve capital shall be first of all employed in the payment of the debts of the Company, including among them sums due to the Russian Government, if such exist; after the debts of the Company shall have been paid, the remainder of the reserve capital shall be divided among the shareholders. In the event of the redemption of the railway by the Chinese Government the reserve capital becomes the property of the shareholders.

"**Net Revenue.**—§ 15. The net revenue of the Company shall be the remainder of the gross receipts, after deduction of working expenses.

"Under these expenses are classed:—

"(*a*) General outlays, including assignments towards pension and relief funds, if such be established on the line;

"(*b*) Maintenance of the Staff of the Board of Management, and of all the services; as also the maintenance of employés and labourers not on the permanent list;

"(*c*) Outlays for materials and articles used for the railways as also expenditure in the shape of remuneration for the use of buildings, rolling-stock, and other various requisites, for the purposes of the railway.

"(*d*) Outlays for the maintenance, repair and renewal of the permanent way, works of construction, buildings, rolling-stock, and other appurtenances of the railway;

"(*e*) Expenditure connected with the adoption of the measures and instructions of the Board of Management for insuring the safety and regularity of the railway service;

"(*f*) Expenditure for the improvement and development of the railway, as also for creating and developing its resources.

"**Additional Payments by the Russian Government Under the Guarantee, and the Order of Settlement of Accounts between the Company and the Russian Government in Respect of these Additional Payments.**—§ 16. Should the gross receipts of the railway prove insufficient for defraying the working expenses and for meeting the yearly payments due on the bonds, the Company will receive the deficient sum from the Russian Government through the Russian Minister of Finances. The payments referred to will be made to the Company as advances, at a rate of interest of 6 per cent. per annum. Sums paid in excess to the Company in consequence of its demands and on account of the guarantee will be deducted from succeeding money payments.

"On the presentation to the general meeting of shareholders of the annual report of the working of the railway for a given year the Company shall at the same time submit to the general meeting, for confirmation, a detailed statement of the sums owing by the Company to the Russian Government, with the interest that has accrued thereon. On the confirmation of this statement by the general meeting, the Board of Management shall deliver to the Russian Government an acknowledgment of the Company's debt, to the full determined amount of the same, and this acknowledgment, until its substitution by another, shall bear annually interest at the rate of 6 per cent.

"The acknowledgment above mentioned given by the Board of Management to the Russian Government shall not be subject to bill or deed stamp tax.

. . . . . .

"[Subjects of minor importance are dealt with in the following sections:—
"§ 17. Distribution of net profits of the railway.
"§ 18. Functions of Board of Management, the seals of which will be at Peking and St. Petersburg.
"§ 19. Constitution of the Board, which is to consist of nine members elected by the shareholders. The Chairman is to be appointed by the Chinese Government; the Vice-Chairman is to be chosen by the members of the Board from among themselves.
"§ 20. Order of transaction of the business of the Board.
"§ 21. General meetings of shareholders and the subjects that shall come under their notice.
"§ 22. Order of convening general meetings.
"§ 23. Conditions under which general meetings shall be recognized as legally held.
"§ 24. Participation of shareholders in proceedings of general meetings.
"§ 25. Local management of works of construction.
"§ 26. Local management of railway when in working order.
"§ 27. Questions to be submitted for confirmation by Russian Minister of Finances.
"§ 28. Committee of audit.]

"**Gratuitous Entrance into Possession of Railway by Chinese Government.**—§ 29. In accordance with the Agreement concluded with the Chinese Government, the latter, after the expiration of eighty years of possession of the railway by the Company, enters into possession of it and its appurtenances.

"The reserve and other funds belonging to the Company shall be employed in paying the money due to the Russian Government under the guarantee (§ 16) and in satisfaction of other debts of the Company, and the remainder shall be distributed among the shareholders.

"Any money that may remain owing by the Company to the Russian Government at the expiration of eighty years in respect of the guarantee shall be written off.

"The Russo-Chinese Bank will incur no responsibility in respect of the same.

"**Right of the Chinese Government to Acquire the Railway on the Expiration of Thirty-six Years.**—§ 30. In accordance with the agreement concluded with the Chinese Government, on the expiration of thirty-six years from the time of completion of the whole line and its opening for traffic, the Chinese Government has the right of acquiring the line, on refunding to the Company in full all the outlays made on it, and on payment for everything done for the requirements of the railway, such payments to be made with accrued interest.

"It follows as a matter of course that the portion of the share capital which has been amortized by drawing and the part of the debt owing to the Russian Government under the guarantee and repaid out of the net profits (§ 17) will not constitute part of the purchase money.

"In no case can the Chinese Government enter into possession of the railway before it has lodged in the Russian State Bank the necessary purchase money.

"The purchase money lodged by the Chinese Government shall be employed in paying the debt of the Company under its bonds and all sums, with interest, owing to the Russian Government, the remainder of the money being then at the disposal of the shareholders."

See, also, the first supplement to the charter, February 5/17, 1899, printed at p. 157, *post*, as an annex to the Agreement concerning the Southern Manchurian Branch of the Chinese Eastern Railway, July 6, 1898 (No. 1898/15, *post*).

Note 4.

See in this connection the agreements of July 5/18, 1901 (No. 1901/2) and January 1/14, 1902 (No. 1902/1, *post*), in regard to the jurisdiction over Chinese subjects. As to the jurisdiction over Russian subjects in the zone of the Chinese Eastern Railway, consult the Ukaz to the Governing Senate on that subject, under date of July 20/August 2, 1901—originally secret, but subsequently made public in the course of a judicial proceeding—of which the translation is as follows:

Russian Imperial Ukaz regarding Jurisdiction in Chinese Eastern Railway Zone.—August 2, 1901.

"The construction of the Chinese Eastern Railway and the realization of the enterprises dependent upon it have attracted a great number of Russians to the line of the railway, which passes through the territories of China, where Our subjects, by virtue of the treaties concluded between the Imperial Government and the Government of the Bogdokhan, have the right of being judged in accordance with Russian laws. Desiring to place on a firm basis of justice the actions that may arise between Russian subjects on the line of exploitation of the above-mentioned railway, We have found it good to submit these actions to the competence of the nearest tribunals of the Empire.

"Having studied and approved the proposals elaborated on this subject by a Special Commission under Our orders, We decree:

"1.—In order to enforce justice and preventive measures upon the line of exploitation of the Chinese Eastern Railway, in matters which are within the competence of the Russian judicial authorities, to establish the posts of Justices of the Peace, submitting the above-mentioned line of exploitation to the jurisdiction of the nearest district courts of the Empire.

"2.—To define as follows the jurisdiction of the judicial institutions mentioned in § 1:

"a) The competency of these institutions includes matters arising on the line of exploitation of the Chinese Eastern Railway between Russian subjects exclusively, and particularly, in criminal matters, where the accused and the injured parties are Russians, and in civil matters, where both sides, plaintiff and defendant, are Russian subjects: the judicial institutions act, in the examination and decision of cases, as well as in preliminary investigations, in accordance with §§ 84, 88, 89 and 90 of the Temporary Regulations for the Administration of the Kwantung Region.

"b) The Russian judicial authorities have the right to make preliminary investigations in criminal matters arising on the above-mentioned line, when the identity of the accused person is unknown but the injured party is a Russian subject; but if in the course of the inquiry it appears that the accused person is not a Russian subject, the case should be referred to the proper quarter by the official of the Ministry for Foreign Affairs stationed in Manchuria, or by the Russian Consul in Newchang if the matter arose within the limits of the above-mentioned open port.

"c) To extend the arrangement outlined in this paragraph to the Southern Branch of the Chinese Eastern Railway, with the exception of that portion of it which traverses the Kwantung Region.

"3.—To transfer to the Governor-General of the Amur Region, in so far as concerns matters that arise within the jurisdiction of the Justices of the Peace who are under the control of the district courts of the Governor-General of the Amur Region, the rights and duties attaching to the chief of the Kwantung Region in those cases specified in Remark (a) to Article 96 of the Temporary Regulations for the Administration of the Kwantung Region.

"4.—To impose upon the frontier guards of the Trans-Amur Region the duty of executing the judgment and orders of the Justices of the Peace and other legal institutions, as well as the serving of summons and other documents on the parties, on the line of the Chinese Eastern Railway.

"5.—In supplement to the present arrangements of those judicial institutions, to institute for each of the district courts of Vladivostok and Chita, as well as for the Appeal Court of Irkutsk, the post of Assistant Prosecutor in each of these tribunals.

"6.—To give to each of the officials mentioned above in §§ 1 and 5 the maintenance, rights and privileges established by the Temporary Regulations for the Administration of the Kwantung Region for the Justices of the Peace of that Region and for the Assistant Prosecutor of the District Court of Port Arthur, with the exception that they are to receive lodgings instead of an allowance for that purpose.

"7.—To entrust to the Minister of Justice, after a preliminary understanding with the Minister of Finance, the appointment of the Justices of the Peace established on the line of the Chinese Eastern Railway, and the determination of their number, their place of residence, and their dependence upon the District Courts of the Empire.

"8.—To insert annually in the budget of the Ministry of Justice the sums necessary for the maintenance of the officials mentioned in §§ 1 and 5, to an amount to be determined by the Minister of Justice in accord with the Minister of Finance, and in reimbursement of this expenditure by the State, to demand from the treasury of the Chinese Eastern Railway the payment of a sum equivalent to this amount. Apart from the yearly payment of the said sum, to impose upon the said Company the obligation: (a) To furnish the Justices of the Peace and the Assistant Prosecutors, on the line of the Chinese Eastern Railway, lodgings and their transportation within the limits of their districts; and (b) To reimburse to the Government Treasury all expenses incurred by them and all the transportation money and all sums established by law for their maintenance during their transit to their posts.

"9.—To give the Chinese Eastern Railway Company the right to sue civil cases and to be defendant in civil cases, in matters concerning its property, upon the terms specified in Section I, Book III, of the Code of Civil Procedure (Articles 1282-99 [Relating to suits by or against Governmental institutions.—EDITOR.]; Volume XVI, Chapter I, Collection of Laws, edition of 1892), and with the application of the provisions contained in Remark 2 to Article 1289 of the Code of Civil Procedure.

"10.—To extend to employees of the Chinese Eastern Railway, in respect to criminal prosecutions against them for wrong-doing in the course of their functions, and claims against them for loss or damage due to their carelessness, neglect or delay, the provisions established in Articles 1066-1123 of the Judicial Regulations and 1316-1330 of the

Code of Civil Procedure [Relating to claims against Government agents and officials in connection with their functions.—EDITOR] (Collection of Laws, Volume XVI, Chapter I, edition of 1892).

"11.—To put the above regulations into force at a time to be determined by the Ministers of Justice and Finance.

"12.—Not to publish the present ukaz for general information.

"On the original is the signature of His Imperial Majesty, in his own hand,

"NIKOLAI."

Note 5.

Agreements for the expropriation of lands required for railway purposes in the Manchurian Provinces of Heilungkiang and Kirin were concluded on August 30, 1907 (Nos. 1907/13 and 1907/14, *post*).

An agreement concerning timber concessions in Kirin Province was signed on the same date (No. 1907/15, *post*), and an agreement for similar concessions in Heilungkiang Province on April 5, 1908 (No. 1908/6, *post*).

With the text of the railway contract, as given in *Soglashenia*, is printed (at p. 8) the French text of a letter from the Chinese Minister to the representative of the bank, dated September 8th, of which the body reads (in translation) as follows:

"In discussing § 6 of the contract signed to-day, you have drawn my attention to the question of coal. I have taken note of the observations you made to me in that regard, and shall not fail to make a report to the Tsungli Yamen on that subject, emphasizing the importance of granting the Company the most favorable terms for the working of such coal mines as may be found in the neighborhood of the line of the (Chinese) Eastern Railway."

See the Agreements for the mining of coal in the Provinces of Heilungkiang and Kirin, August 30, 1907 (No. 1907/12, *post*).

Note 6.

In connection with Article 9, it is to be noted that under date of August 7, 1917, the Russian Legation at Peking addressed to the Legations of other friendly nations there a *note verbale* of which the translation is given herewith, requesting their assent to an extension of the passport control exercised by the Russian authorities within the zone of the Chinese Eastern Railway, as a temporary measure necessitated by conditions arising out of the war:

Temporary Agreement regarding Passport Control in Chinese Eastern Railway Zone.—August, 1917.

"The special administrative system in force upon the territory of the Chinese Eastern Railway, arising out of the fact that this Russian railway passes through Chinese territory, renders very difficult the effective surveillance of the Russian frontier on the borders of Manchuria. It is because of this that a great number of criminals, anarchists, and especially enemy spies, have succeeded in entering Russia by that route.

"A serious control over all persons, both Russian and foreign, proceeding into Russia by way of Manchuria, could be rendered really effective only if it were possible to subject foreigners—upon their arrival at the terminal stations of the railway mentioned above, as well as during their sojourn at Harbin and other places upon the territory conceded to the railway—to the passport regulations of which the observance is compulsory for their entry and for their sojourn in Russia.

"It would, in particular, be necessary to require every foreigner proceeding into North Manchuria—that is, in the case of those proceeding there by railway from the Kwangchengtze-Changchun station—to observe the following rules:

"1—He should be furnished with a national passport, in good order;

"2—His photograph should be attached to the passport;

"3—The passport should be visaed by the competent Russian authority; and

"4—The passport should embody an indication whether, as the case may be, the bearer is by birth of the nationality that he acknowledges, or whether he acquired it by the process of naturalization.

"Consent to the observance of these rules, on the part of their nationals, is hereby requested of the Legations resident in Peking.

"It goes without saying that these rules, having no other object than that specified above, will be obligatory only for the period of the war now in progress. They are in no way designed to create vested rights based on precedents."

Acceptances of this proposal were communicated to the Russian Legation as follows: In behalf of Italy, August 7, 1917; Netherlands, August 11, 1917; France, August 17, 1917; Great Britain, August 17, 1917; Belgium, August 20, 1917; United States, August 30, 1917.

Note 7.

To the text of the contract as printed in *Wang* is appended (at p. 11) a copy of a letter addressed to the Chinese Minister by the representative of the bank, under date of September 2, 1896, of the body of which the translation is as follows:

"I have the honor to avail myself of Your Excellency's permission to confirm to you that the accounts of the railway to be constructed will be made up annually and will be published officially. This report will present the status of the several accounts, the receipts and expenses for operation and also for the service of debts, loans, etc. The eventual repurchase would be effected on the basis of these balances as published annually. The detailed conditions of repurchase will be provided for in the Company's charter (i.e., *statuts de la Société*)."

See the exchange of Notes between China and Japan concerning the extension of the term of lease of the South Manchuria Railway, etc., May 25, 1915 (No. 1915/8, *post*).

NUMBER 1896/6.

JAPAN AND CHINA.

Protocol concerning Japanese settlements, inland navigation, taxes on manufactures, etc.—October 19, 1896.*

Baron Hayashi Tadasu, Shoshii, Grand Cross of the Imperial Order of the Sacred Treasure, Envoy Extraordinary and Minister Plenipotentiary for Japan; and Ching, Jung, and Chang, the Ministers charged with Foreign Affairs of the Empire of China;

have agreed upon and concluded the following four Articles:—

Art. 1.—It is agreed that Settlements to be possessed exclusively by Japan shall be established at the towns and ports newly opened to trade. The management of roads and local police authority shall be vested solely in the Japanese Consuls.

Art. 2.—Matters relating to steamboats and chartered or owned vessels referred to in the provisional Regulations for the trade conducted by foreign merchants between Soochow, Hang-chow and Shanghai, issued by the Shanghai Customs on the 3rd day of the 8th month of the 22nd year of Kuang Hsü † shall be settled conjointly with Japan, and until such settlement is conjointly arrived at the Yang-tsze Regulations shall be enforced so far as they are applicable.

Art. 3.—The Japanese Government will consent to the imposition by the Chinese Government of such tax as may be deemed expedient upon articles manufactured by Japanese subjects in China, but such tax shall not be different from, or exceed, the amount payable by Chinese subjects.

Upon the request of the Japanese Government the Chinese Government

* Translation from the Chinese text as printed in *Customs*, Vol. II, p. 615. Other translations printed in *Rockhill*, p. 39; *For. Rel. of the U. S.*, 1907, p. 97; *Hertslet*, p. 382; *Recueil*, p. 236. See Note to this document, *post*, p. 92.

† September 9, 1896.

will promptly give their consent to the establishment of Settlements possessed exclusively by Japan at Shanghai, Tientsin, Amoy and Hankow.

Art. 4.—Telegraphic instructions will be sent to the Governor of Shantung to the effect that, in accordance with treaty stipulations, no Chinese troops shall be permitted to approach or occupy any ground within a distance of 5 Japanese *ri,* that is, about 40 Chinese *li,* from the boundaries of the territory occupied by the Japanese troops.

In witness whereof a Japanese and a Chinese version of the above have been prepared, each in duplicate, and having been compared together have been signed and sealed, each party retaining one copy of each version.

The 19th day of the 10th month of the 29th year of Meiji.

HAYASHI TADASU.

The 13th day of the 9th month of the 22nd year of Kuang Hsü.

CHING HSIN.

JUNG LU.

CHANG YIN HUAN.

Note.

In connection with this protocol see also the Sino-Japanese commercial treaties of July 21, 1896 (No. 1896/4, *ante*), and October 8, 1903 (No. 1903/4, *post*).

The following is the translation as printed in *B. & F. State Papers,* vol. 94, p. 1317, of the agreement between the Japanese and Chinese Governments for the establishment of a Japanese Settlement at Shashi, concluded August 18, 1898, and approved by the Japanese Foreign Office on December 2, 1898:—

Agreement for Establishment of Japanese Settlement at Shashi.—August 18, 1898.

"ARTICLE 1.—Starting from the western boundary of the Government land, Kungchow, foreign wharf, Shashi port, and following the south-east course of the Changkiang, the land in a straight line for a distance of 3,800 shaku (3,777 99/100 feet), with a breadth of 800 shaku 795 36/100 feet) from the said western boundary of not more than 800 shaku (795 36/100 feet), and for the remaining 3,000 shaku (2,982 63/100 feet) of 1,200 shaku (1,193 5/100 feet) is fixed upon for a Settlement exclusively under Japanese control. (See separate Plan.)

"If in future another foreign Settlement is established, it shall be marked out on a situation below the Japanese Settlement.

"ARTICLE 2.—All roads, bridges, drains, wharves, and embankments, and the power of police within the Settlement, shall be under the official control of the Japanese Consulate. The Japanese Consulate may construct or repair such roads, bridges, and drains at any time, and the Chinese authorities shall not be able to interfere in the matter.

"ARTICLE 3.—For the safety of the Settlement, and as a precaution against the entrance of water, strong embankments shall be constructed.

"The expenses of construction, and the purchase price necessary for sites for the building of embankments, shall be calculated by the delegates of the two countries (China and Japan), after consultation, and China shall be responsible for half the amount.

"ARTICLE 4.—Sites within the Settlement shall be divided into three classes, and the price of land per *se* (3 92/100 square poles), in each class is fixed as follows. (See separate Table.)

"Sites leased during the period beginning with the day on which these Articles go into operation, and ending with the close of the next Chinese year (Kwocho [Kuanghsü] 26th year), shall be per *se* (3 92/100 square poles), for first class lots 100 dollars, for second class lots 80 dollars, for third class lots 50 dollars.

"On lots leased during the four years after Kwocho [Kuanghsü] 27th year (the Chinese year after next) there shall be an increase per annum of 5 dollars.

"As regards sites leased after the expiration of the above period, the basis of value shall be fixed at 120 dollars for first class, 100 dollars for second class, and 70 dollars for third class sites, that is to say, the price in the fourth year mentioned in the preceding clause, and they may at any time be disposed of at auction.

"For the lease of the above sites it shall not be necessary to pay to China any other tax than 1,000 Chinese cash per *se* (3 92/100 square poles) annually as ground rent.

"The classification of sites shall be discussed and settled between the Japanese Consulate and the Chinese local authorities.

"ARTICLE 5.—The price of sites provided for roads and drains within the Settlement shall be fixed per *se* (3 92/100 square poles) at 20 dollars for first class, 16 dollars for second class, and 10 dollars for third class sites, and the Japanese Consulate shall hand the amount to the Chinese local authorities at the time of the commencement of the work.

"It shall not be necessary to pay to the Chinese Government any ground rent or other taxes in respect of the above sites.

"ARTICLE 6.—A person wishing to lease in perpetuity a site within the Settlement shall send in an application to the Japanese Consulate, mentioning clearly in writing the site he requires. The Japanese Consulate shall, after making an examination of the site, collect the fixed price according to the nature of the site, and hand it to the Chinese local authorities. The Chinese local authorities shall prepare a title-deed in triplicate, and transmit it to the Japanese Consulate; and the Japanese Consulate shall affix their seal to it, give one copy to the lessee, return one to the Chinese local authorities, and keep one in the Japanese Consulate. Should the lessee lose the title-deed by water, fire, robbery, or other cause, he may apply for the issue of a fresh title-deed. As regards the form of the title-deed, the Chinese local authorities and the Japanese Consulate shall consult and decide.

"ARTICLE 7.—After Kwocho [Kuanghsü] 31st year (six years hence), if any person wishes to lease a site in perpetuity, the Japanese Consulate shall notify its disposal by auction on a date from fifteen to twenty days from the date of application, and it shall be so disposed of in the presence of the local authorities. The law regarding disposal of a site by auction shall, however, be that it shall always be leased to the highest bidder. If it happens that two or more persons bid the same price, it shall be put up again for auction. When the lessee has been determined, he shall be required to pay at once one-fifth of the price of the site as a deposit, and the remainder entirely within one month. The procedure in remitting the price, and the method of issuing the title-deed shall be similar to that provided for in the previous Article.

"ARTICLE 8.—The ground rent payable by the lessee shall be collected each year by the Japanese Consulate, and handed over to the Chinese local authorities on the 15th day of the 4th moon (Chinese calendar). The Chinese local authorities shall send a receipt to the Japanese Consulate. Under extraordinary circumstances, the Consul shall, after the matter has been settled, collect additional ground rent and hand it over.

"ARTICLE 9.—Chinese and foreigners are permitted to reside and carry on business in the Settlement. But they have none of the rights of lease specified in these Articles.

"ARTICLE 10.—When the lessee desires to sell or transfer his right to the land leased, both parties shall make application in a joint letter to the Japanese Consulate. When the Japanese Consulate considers that there is no objection, the Chinese authorities shall be communicated with, and they shall make out a new title-deed.

"ARTICLE 11.—The fees for removing buildings connected with graves in the Settlement shall, at any time, be discussed and settled between the Japanese Consulate and the Chinese local authorities.

"The Chinese authorities shall strictly prohibit the additional construction of buildings connected with graves in future.

"ARTICLE 12.—The Japanese Consulate may at any time make regulations and levy dues from vessels stopping at the wharves, and apply the proceeds to the expenses of the Settlement.

"ARTICLE 13.—When it is desired to repair the wharves within the Settlement, or erect hulks, a spot shall be chosen which does not interfere with the passing to and fro of merchant-vessels, after consultation between the Japanese Consulate and the Commissioner of Customs.

"ARTICLE 14.—It shall not be permitted to construct within the Settlement buildings thatched with straw or rushes, or inferior shingles, or to store, carry, or transport gunpowder, explosives, or other goods dangerous to life and property.

"But when it is desired to make use of explosives under unavoidable circumstances, an application shall be made to the Japanese Consulate stating the nature of the use to which they are to be put, and permission obtained.

"ARTICLE 15.—The Chinese local authorities shall, in consultation with the Japanese Consulate, establish a Mixed Court in the Settlement. The Rules (of the Court) shall follow the Shanghai precedent.

"ARTICLE 16.—Should it be desired in future to choose a suitable lot and establish specially a cemetery for Japanese, the Japanese Consulate and the Chinese local authorities shall at any time agree on the matter.

"ARTICLE 17.—If any points superior to what are specified in these Articles are at present permitted, or shall in future be permitted, to other foreigners, Japanese residents also shall equally enjoy them all.

"These Articles shall be prepared in duplicate in Japanese and Chinese, and after

being signed and sealed either Party shall keep one copy in witness thereof. It is agreed that they shall take effect after the sanction of the Governments.

" (L.S.) NOGATAKI HISAKICHI,
"2nd Class Imperial Japanese Consul stationed at Shashi.
" (L.S.) YU TSANG YING.

" The separate Table and separate Plan are kept at the Foreign Office [Tokio].
" August 18, 1898."

NUMBER 1897/1.

GREAT BRITAIN AND CHINA.

Agreement modifying the convention of March 1, 1894, relative to Burmah and Tibet.—February 4, 1897.*

In consideration of the Government of Great Britain consenting to waive its objections to the alienation by China, by the Convention with France of the 20th June, 1895, of territory forming a portion of Kiang Hung, in derogation of the provisions of the Convention between Great Britain and China of the 1st March, 1894, it has been agreed between the Governments of Great Britain and China that the following additions and alterations shall be made in the last-named Convention, hereinafter referred to as the original Convention:—

ARTICLE I.—**Frontier line.**—It is agreed that the frontier between the two Empires from latitude 25° 35′ north shall run as follows:

Commencing at the high peak situated approximately in that latitude and in longitude 98° 14′ east of Greenwich and 18° 16′ west of Peking, the line shall follow, as far as possible, the crest of the hills running in a south-westerly direction to Warung Peak (Kaulyang), and shall extend thence to Sabu Pum.

From Sabu Pum the frontier shall run in a line along the watershed slightly to the south of west through Shatrung Pum to Namienku Pum.

Thence it shall follow a line to be fixed after local investigation, dividing the Szis and the Kumsas as far as the Tabak Kha; thence the Tabak Kha to the Namtabet; thence the Namtabet to the Paknoi Kha; thence the Paknoi Kha to its source near Talang Pum; thence the Talang Pum ridge to Bumra Shikong.

From Bumra Shikong the frontier shall follow a line running in a south-west direction to the Laisa Kha; thence the Laisa Kha to the Molè stream, running between Kadôn and Laisa; thence the Molè to its confluence with the Cheyang Kha; thence the Cheyang Kha to Alaw Pum; thence the Nampaung stream to the Taping.

* Text as printed in *Rockhill*, p. 40, from *B. & F. State Papers*, 1896-7, vol. 49, p. 25. Printed also in *Customs*, Vol. I, p. 532; *Hertslet*, p. 113; *Recueil*, p. 241; *British Treaty Series*, 1897, No. 7.

In connection with this agreement see the Convention of March 1, 1894 (No. 1894/1, *ante*), particularly Article 5 and the footnotes thereto; also the Franco-Chinese delimitation convention of June 20, 1895 (No. 1895/4), and the Anglo-French declaration of January 15, 1896 (No. 1896/1, *ante*); also the Anglo-Chinese convention respecting Tibet, April 27, 1906 (No. 1906/2, *post*).

THE TAPING TO THE SHWELI RIVER.

II.—From the junction of the Taping and the Nampaung streams the frontier shall follow the Taping to the neighbourhood of the Lwalaing ridge; thence a line running approximately along the Lwalaing ridge and the Lwalaing stream to the Namwan; thence the Namwan to its junction with the Shweli.

Great Britain engages to recognize as belonging to China the tract to the south of the Namwan River, near Namkhai, which is enclosed to the west by a branch of the Nam Mak River and the Mawsiu range of hills up to Loi Chow Peak, and thence by the range running in a north-easterly direction to the Shweli River.

Jurisdiction.—In the whole of this area China shall not exercise any jurisdiction or authority whatever. The administration and control will be entirely conducted by the British Government, who will hold it on a perpetual lease from China, paying a rent for it, the amount of which shall be fixed hereafter.

THE SHWELI TO THE MEKONG.

III.—From the junction of the Namwan and Shweli the frontier shall follow the northern boundary of the State of North Hsinwi, as at present constituted, to the Salween, leaving to China the loop of the Shweli River, and almost the whole of Wanting, Mong-ko, and Mong-ka.

Starting from the point where the Shweli turns northward near Namswan, i. e. from its junction with the Namyang, the frontier shall ascend this latter stream to its source in the Mong-ko Hills, in about latitude 24° 7′ and longitude 98° 15′, thence continue along a wooded spur to the Salween at its junction with the Namoi stream. The line shall then ascend the Salween till it meets the northwest boundary of Kokang, and shall continue along the eastern frontier of Kokang till it meets the Kunlong circle, leaving the whole circle of Kunlong to Great Britain.

The frontier shall then follow the course of the river forming the boundary between Somu, which belongs to Great Britain, and Mêng Ting, which belongs to China. It shall still continue to follow the frontier between those two districts, which is locally well-known, to where it leaves the aforesaid river and ascends the hills, and shall then follow the line of water parting between the tributaries of the Salween and the Mekong Rivers, from about longitude 99° east of Greenwich (17° 30′ west of Peking), and latitude 23° 20′, to a point about longitude 99° 40′ east of Greenwich (16° 50′ west of Peking) and latitude 23°, leaving to China the Tsawbwaships of Kêng Ma, Mengtung, and Mengko.

At the last named point of longitude and latitude the line strikes a very lofty mountain range, called Kong-Ming-Shan, which it shall follow in a southerly direction to about longitude 99° 30′ east of Greenwich (17° west of Peking), and latitude 22° 30′, leaving to China the district of Chen-pien T'ing. Then, descending the western slope of the hills to the Namka River, it will follow the course of that river for about 10 minutes of latitude, leaving Munglem to China and Manglün to Great Britain.

The frontier shall then follow the boundary between Munglem and Kiang Tong, which is locally well-known, diverging from the Namka River a little to the north of latitude 22°, in a direction somewhat south of east, and generally following the crest of the hills till it strikes the Namlam River in about latitude 21° 45′ and longitude 100° east of Greenwich (16° 30′ west of Peking).

It shall then follow the boundary between Kiang Tong and Kiang Hung, which is generally formed by the Namlam River, with the exception of a small strip of territory belonging to Kiang Hung, which lies to the west of that river, just south of the last-named parallel of latitude. On reaching the boundary of Western Kyaing Chaing, in about latitude 21° 27′ and longitude 100° 12′ east of Greenwich (16° 18′ west of Peking), the frontier shall follow the boundary between that district and Kiang Hung until it reaches the Mekong River.

IV.—(No addition to original Convention.)

V.—It is agreed that China will not cede to any other nation either Mung Lem or any part of Kiang Hung on the right bank of the Mekong, or any part of Kiang Hung now in her possession on the left bank of that river, without previously coming to an arrangement with Great Britain.

VI.—Article VI of the original Convention shall be held to be modified as follows:

It is agreed that, in order to avoid any local contention, the alignments of the frontier described in the present Agreement shall be verified and demarcated, and, in the event of their being found defective at any point, rectified by a Joint Commission appointed by the Governments of Great Britain and China, and that the said Commission shall meet, at a place hereafter to be determined by the two Governments, not later than twelve months from the date of the signature of the present Agreement, and shall terminate its labours in not more than three years from the date of its first meeting.

If a strict adherence to the line described would intersect any districts, tribal territories, towns, or villages, the Boundary Commission shall be empowered to modify the line on the basis of mutual concessions. If the members of the Commission are unable to agree on any point, the matter of disagreement shall at once be referred to their respective Governments.

VII.—(No addition to original Convention.)

VIII.—(No addition to original Convention.)

IX.—**Trade routes to be opened.**—Add as follows:—

In addition to the Manwyne and Sansi routes sanctioned by the Convention of 1894, the Governments of Great Britain and China agree that any other routes, the opening of which the Boundary Commissioners may find to be in the interests of trade, shall be sanctioned on the same terms as those mentioned above.

X.—(No addition to original Convention.)

XI.—(No addition to original Convention.)

XII.—Add as follows:—

Railways in Yünnan.—The Chinese Government agrees hereafter to con-

sider whether the conditions of trade justify the construction of railways in Yünnan, and, in the event of their construction, agrees to connect them with the Burmese lines.

XIII.—**British and Chinese consular officers.**—Whereas by the original Convention it was agreed that China might appoint a Consul in Burmah to reside at Rangoon; and that Great Britain might appoint a Consul to reside at Manwyne; and that the Consuls of the two Governments should each within the territories of the other enjoy the same privileges and immunities as the Consuls of the most favoured nation, and, further, that, in proportion as the commerce between Burmah and China increased, additional Consuls might be appointed by mutual consent to reside at such places in Burmah and Yünnan as the requirements of trade might seem to demand.

It has now been agreed that the Government of Great Britain may station a consul at Momein or Shunning-fu, as the Government of Great Britain may prefer, instead of at Manwyne, as stipulated in the original Convention, and also to station a Consul at Ssumao.

Trading rights.—British subjects and persons under British protection may establish themselves, and trade at these places, under the same conditions as at the Treaty ports in China.

The Consuls appointed as above shall be on the same footing as regards correspondence and intercourse with Chinese officials as the British Consuls at the Treaty ports.

XIV.—Instead of "Her Britannic Majesty's Consul at Manwyne" in the original Convention, read "Her Britannic Majesty's Consul at Shunning or Momein," in accordance with the change made in Article XIII.

XV.—(No addition to original Convention.)

XVI.—(No addition to original Convention.)

XVII.—(No addition to original Convention.)

XVIII.—(No addition to original Convention.)

XIX.—Add as follows:—

Failing agreement as to the terms of revision, the present arrangements shall remain in force.

Special Article.—**Wuchou-fu in Kwangsi and Samshui City and Kong Kun in Kwangtung opened to trade.**—Whereas on the 20th day of January, 1896, the Tsung-li Yamên addressed an official despatch to Her Majesty's Chargé d'Affaires at Peking, informing him that on the 30th day of December, 1895, they had submitted a Memorial respecting the opening of ports on the West River to foreign trade, and had received an Imperial Decree in approval, of which they officially communicated a copy.

It has now been agreed that the following places, viz., Wuchow-fu, in Kwangsi, and Samshui City and Kong Kun Market, in Kwangtung, shall be opened as Treaty ports and Consular stations, with freedom of navigation for steamers between Samshui and Wuchow and Hong Kong and Canton, by a route from each of these latter places to be selected and notified in advance by the Imperial Maritime Customs, and that the following four places shall be established as ports of call for goods and passengers, under the same Regulations as

the ports of call on the Yang-tzu River, namely, Kongmoon, Komchuk, Shiuhing and Takhing.

It is agreed that the present Agreement, together with the Special Article, shall come into force within four months of the date of signature, and that the ratifications thereof shall be exchanged at Peking as soon as possible.†

In witness whereof the Undersigned, duly authorized thereto by their respective Governments, have signed the present Agreement.

Done at Peking in triplicate—three copies in English, three in Chinese—the 4th day of February, in the year of our Lord 1897.

[L. S.] CLAUDE M. MACDONALD.

[L. S.] (Chinese signature of his Excellency Li.)

NUMBER 1897/2.

FRANCE AND CHINA.

Declaration concerning the non-alienation of the Island of Hai-nan.—March 15, 1897.*

THE TSUNG-LI YAMÊN TO MR. GÉRARD, MINISTER OF THE FRENCH REPUBLIC AT PEKING.

13th DAY, 2D MOON, 23D YEAR, KUANG-HSÜ.

(15 March, 1897.)

The 1st day of the 2d moon of the 23d year Kuang-hsü (March 3, 1897), we received a despatch in which you inform us that France, considering the close friendly and neighborly relations maintained with China, attaches great importance to the island of Hai-nan never being either alienated or ceded by China to any other foreign Power, either as final or temporary cession, or as a naval station or coaling depot.

Our Yamên considers Kiung-chou (the island of Hai-nan) as belonging to the territory of China which consequently exercises over it right of sovereignty. How could it cede it to foreign nations? Furthermore, it is nowise a fact at present that it has lent it temporarily to foreign nations. As in duty bound we make to Your Excellency this official communication.

(Here follow the signatures of the President and the Members of the Tsung-li Yamên).

* Translation, as given in *Rockhill*, p. 173, from the French version as printed in *Doc. Dipl., Chine, 1894-8*, p. 33. Printed also (in French text) in *Hertslet*, p. 1148.

In connection with this declaration see also the Declarations to France concerning the non-alienation of the territory bordering on Tongking, April 10, 1898 (No. 1898/6, *post*); to Great Britain concerning the non-alienation of the Yang-tsze region, February 11, 1898 (No. 1898/1, *post*); to Japan concerning the non-alienation of Fukien, April 26, 1898 (No. 1898/8, *post*); also the Presidential Mandate concerning the non-alienation of the coasts of China, May 13, 1915 (1915/7, *post*).

† Ratifications exchanged June 5, 1897.

NUMBER 1897/3.

DENMARK (Great Northern Telegraph Company) AND CHINA.

Telegraph convention.—May 13, 1897.*

The Imperial Chinese Telegraph Administration, hereinafter called the Administration, on the one part, and the Great Northern Telegraph Company of Copenhagen, hereinafter called the Company, on the other part, being desirous of facilitating international telegraphic communication, have decided to conclude a Convention with a view to equalize the total charges by their respective routes in Asia between China and Russia.

Consequently the following stipulations have been agreed on and under date below given signed by the Administration represented by its Director-General Sheng-hsuen-huai and by the Company represented by its General-Manager in China Mr. J. Henningsen both duly furnished with full and special powers for this purpose.

Article I.—1. For telegrams exchanged terminally between the Empire of China, on the one side, and the Empire of Russia, on the other side, the charge over the present and future cables in Asia connecting China with Russia in Asia and belonging to or connected with the Company, shall be the same as the Administration's terminal charge by their land junctions with Russia in Asia as fixed in the Telegraph Convention dated 13 (25) August 1892.

2. The stipulation under section 1 of this Article shall apply equally to charges for telegrams exchanged terminally between the British Colony of Hongkong on the one side and the Empire of Russia on the other side.

3. For the same telegrams as described under sections 1 and 2 of this Article via other routes across the land frontiers of China the Administration undertakes, when concluding, renewing or revising telegraph Conventions, to fix their proportion of the total charges in such manner that the total charges collected for the said telegrams via such routes at the time of the concluding, renewing or revising of such Convention shall in no case be lower than the total charges collected for the same telegrams when exchanged by the normal routes above described under sections 1 and 2 of this Article.

The Company on their side undertakes a corresponding obligation for the same telegrams by future cables connecting China or Hongkong with Russia in Asia.

4. With regard to telegrams specified under sections 1, 2 and 3 of this Article transmitted by other routes present and future than those specified under sections 1, 2 and 3 of this Article the Administration and the Company reciprocally undertake to do all in their power to protect the joint interests established by the present Convention.

Article II.—1. The revenue of the Administration and of the Company of all telegrams and by all routes coming under Article I of the present Conven-

* Text as printed in *Recueil*, p. 252. See Note to this document, *post*, p. 103.

tion shall be carried to a Joint Purse in the proportions fixed in the Table stipulated in Article VII of the present Convention and this Joint Purse shall be divided between the Contracting Parties in the following manner: One half to the Administration; One half to the Company.

Each of the Contracting Parties shall bear its own working expenses.

2. Considering the division of revenue the Administration will only levy terminal charge on telegrams by the Company's cable route specified in section 1 of Article I of the present Convention if and to the extent necessary to equalize the total rates by the routes of the Administration and of the Company.

Such additional terminal charge shall belong to the Joint Purse and be divided equally between the Administration and the Company.

Article III.—The Administration as well as the Company shall maintain their sections of the routes mentioned in sections 1 and 2 of Article I of the present Convention in good working order.

Article IV.—1. The collection of the charges mentioned in sections I and 2 of Article I of the present Convention shall take place at the same rate of exchange of the coin in which the charges are collected by the Administration and by the Company at their stations in China and at Hongkong.

2. To this end the Administration and the Company shall annually at the end of the European calendar year determine the average value of that coin in francs, and this value shall serve as the rate of exchange for the collection of charges and for settlement of accounts during the year following.

3. Should the Administration and the Company be unable to agree on the average value of that coin in francs, the question shall be referred for settlement to the manager of one of the foreign banks at Shanghai.

Article V.—1. The Administration and the Company shall at all their controlling stations keep correct abstracts of all telegrams specified in Article I of the present Convention and furnish each other with official copies of the same.

2. A controller of the Administration at the Company's stations at Shanghai, Foo-chou, Amoy and Hongkong and a controller of the Company at the Administration's controlling stations present and future shall have free admittance to the offices in order to check and control the correctness of the journals abstracts and accounts as far as necessary for the purposes of the present Convention.

3. The appointment of controllers is in each case subject to the approval respectively of the Administration or of the Company to which they are accredited which shall also have the right to demand their recall if considered necessary.

4. All the said controllers of the Company at the Administration's controlling stations if living on Chinese territory shall have their names placed on the register of their respective nationalities. Each of them shall respect the laws of China and conform with the Treaties made by the respective countries with the Government of China. But the Administration cannot undertake any responsibility for their personal safety.

5. They shall respect the authority of the local Manager. Their salaries as well as all other expenses are to be paid by their Employers.

Article VI.—1. The settlement of accounts for all telegrams exchanged between the Administration and the Company coming under the present Convention as well as the division of revenue stipulated in Article II of the present Convention shall be established monthly at Shang-hai and paid at Shang-hai within six weeks after the end of the month in account.

2. To this end the results of the abstracts of the controlling stations signed by the controllers of the two contracting parties stipulated for in Article V of the present Convention or by the representative of the Administration at the controlling stations, where no controller of the Company be actually present shall be telegraphed to Shang-hai to be entered in the accounts settled there subject to subsequent revision after receipt in Shang-hai of the said signed abstracts and copies of the telegrams abstracted.

3. The month shall be reckoned according to the European calendar.

4. Telegrams referring to the settlement and payment of accounts shall be considered as service telegrams and transmitted free of charge.

Article VII.—1. To the present Convention is annexed a table signed by the contracting parties and showing the charges which shall be applied by the Administration and by the Company to telegrams described in section 1 and 2 of Article I of the present Convention as soon as it comes into force and also the rate of exchange at which the collection of charges and the settlement of accounts shall take place as well as the amount of contribution to the Joint Purse.

2. This Table will be subject to revision by the contracting parties periodically and in accordance with the stipulations of the present Convention.

Article VIII.—The rules laid down in the service regulations of the International Telegraph Convention shall be observed with regard to the technical treatment of telegrams exchanged between the Administration and the Company and both contracting parties undertake to do all in their power to prevent retransmission and other circumventions of the rules to the detriment of either party.

Article IX.—1. Chinese Government telegrams exchanged between China or Hongkong on the one side and Russia on the other side are treated in an exceptional manner that is to say:

They pass at half of the ordinary charge over the cables in Asia of the Company and whichever be the route followed contribute nothing to the Joint Purse and are not included in the division described in Article II of the present Convention.

Article X.—1. The present Convention cannot be mortgaged, sold or otherwise transferred either wholly or partly, neither can any creditor or others acquire it wholly or partly in case of liquidation compulsory or otherwise.

2. Any difference arising between the contracting parties touching the constructions of the present Convention shall be referred for decision to the Governments or their Legations at Peking which have ratified it.

Article XI.—1. The present Convention shall be confirmed by Tsung-li-yamen and by the Ministers at Peking for Russia and Denmark.

2. It shall be put into execution from the first day of the month following the date of its confirmation.

3. It shall remain in force until the 31 December 1910 and shall thereafter continue in force until six months after one of the contracting parties shall have given notice of its intention to modify or to abrogate it.

In witness whereof the undersigned duly authorized to this effect have signed the present Convention.

Done in Shang-hai in the Chinese language and in the English language. Three expeditions duly compared and found to be in agreement have been signed in each of these languages on the thirteenth day of the month of May 1897 corresponding with the twelfth day of the fourth moon of the twenty third year of the reign of Kuang-siu.

For the Imperial Chinese Telegraph Administration—

(L. S.) The Director General SHENG.

For the Great Northern Telegraph Company of Copenhagen—

The Manager in China HENNINGSEN.

Vu et approuvé:

Le Chargé d' Affaires de Russie et de Danemark
(L. S.) (*Signé*): A. PAVLOW.
(L. S. du Tsung-li-yamen).

Table drawn up in execution of the stipulation in Article VII of the Convention dated the thirteenth May 1897.

Charges to be collected per single word of all telegrams. The terminal charge of the Administration and the cable charge mentioned in sections 1 and 2 of Article I of the Convention: 2 francs.

Contribution to the Joint Purse (stipulated in Article II of the Convention) per single word of ordinary telegrams by routes described in sections 1 and 2 of Article I of the Convention under which also come the cables of Eastern Extension Australasia and China Telegraph Company Limited, as being connected with the Company.

Telegrams exchanged terminally with Hongkong, Amoy, Foochou: 1 franc 60 centimes.

Telegrams exchanged terminally with all other places in China: 2 francs.

By routes described in sections 3 and 4 of Article I of the Convention:

The total of the revenue accruing to the Administration or to the Company excepting the revenue accruing to their lines in Europe.

Rate of exchange.

Articles IV and VI of the Conventions until 1 July 1897.

8 francs 50 centimes equal to 2 Mexican dollars 75 cents.

In witness whereof the undersigned duly authorized to this effect have signed the present table.

Done in Shang-hai in the Chinese language and in the English language. Three expeditions duly compared and found to be in agreement have been signed in each of these languages on the thirteenth day of the month of May 1897

corresponding with the twelfth day of the fourth moon of the twenty third year of the reign of Kwang-hsu.

For the Imperial Chinese Telegraph Administration—

(L. S.): The Director General (*signed*) SHENG.

For the Great Northern Telegraph Company of Copenhagen—

The Manager in China (*signed*) HENNINGSEN.

Vu et approuvé

Le Chargé d'Affaires de Russie et de Danemark.

(L. S.) (*signé*): A. PAVLOW.

(L. S. du Tsung-li-yamen.)

Note.

An additional article to this agreement was signed on March 6, 1899, in the following terms (as given in *Recueil*, p. 355):

Additional Article to Telegraph Convention of 1897.—March 6, 1899.

"In connection with the Agreement entered into on the 13-th of May 1897 between the Imperial Chinese Telegraph Administration on the one part and the Great Northern Telegraph Company of Copenhagen on the other part the following 'Additional Article' has been agreed upon and under date given signed by the Administration represented by their Director General Sheng and by the Company represented by their Manager in China Mr. J. Henningsen both duly furnished with full and special powers for this purpose, and now witness; that in the interest of both parties to the Agreement dated the 13-th of May 1897, and for the same term of years that is till the 31-st December 1910 no other party will be allowed without the consent of both the said parties to land telegraph cables on the coast of China and islands belonging thereto or to work such cables in connection with the Chinese lines or otherwise to establish telegraph connection which might create competition with or injure the interests of the existing lines belonging to China or to the Great Northern Telegraph Company of Copenhagen. This shall however not prevent the Chinese Government from establishing local internal cables where no competition can arise nor from consenting to the junction by cable of Port Arthur with the Russian telegraph system for the exchange of limitrophe local traffic neither shall it prevent the transmission of terminal Formosa traffic over the Foochow-Formosa cable now belonging to Japan whilst other traffic must not be exchanged by this line except with the consent of China and of the Great Northern Telegraph Company of Copenhagen.

"The present additional Article shall be confirmed by the Tsung-li-yamen and by the Minister at Peking for Russia and Denmark.

"In witness whereof the undersigned duly authorized to this effect have signed the present additional Article.

"Done in Shang-hai in the Chinese language and in the English language. Three expeditions duly compared and found to be in agreement have been signed in each of three languages on the sixth day of the month of March eighteen hundred and ninety nine corresponding with the twenty-fifth day of the first moon of the twenty-fifth year of Kuang-hsü.

"(L. S.) For the Imperial Chinese Telegraph Administration—the Director General:
"(Signature): SHENG.

"(L. S.) For the Great Northern Telegraph Company of Copenhagen—the Manager in China,
"(Signature): J. HENNINGSEN.

"(L. S.) *Vu et approuvé:* le Ministre de Russie et de Danemark.
"(Signé): MICHEL DE GIERS."

In connection with this convention see also the convention between the Chinese Telegraph Administration and the Great Northern and Eastern Extension Companies, July 11, 1896 (No. 1896/3, *ante*).

NUMBER 1898/1.

GREAT BRITAIN AND CHINA.

Declaration concerning the non-alienation of the Yang-tsze region.—February 11, 1898.*

SIR C. MACDONALD TO THE TSUNG-LI YAMÊN.

PEKING, *February 9, 1898.*

MM. LES MINISTRES,

Your Highnesses and your Excellencies have more than once intimated to me that the Chinese Government were aware of the great importance that has always been attached by Great Britain to the retention in Chinese possession of the Yang-tsze region, now entirely hers, as providing security for the free course and development of trade.

I shall be glad to be in a position to communicate to Her Majesty's Government a definite assurance that China will never alienate any territory in the provinces adjoining the Yang-tsze to any other Power, whether under lease, mortgage, or any other designation. Such an assurance is in full harmony with the observations made to me by Your Highnesses and Your Excellencies.

I avail, &c.

(*Signed*) CLAUDE M. MACDONALD.

THE TSUNG-LI YAMÊN TO SIR C. MACDONALD.

Kuang-hsü, 24th year, 1st moon, 21st day. (February 11, 1898.)

The Yamên have the honour to acknowledge the receipt of the British Minister's despatch of the 9th February, stating that the Yamên had more than once intimated to him that the Chinese Government were aware of the great importance that has always been attached by Great Britain to the retention in Chinese possession of the Yang-tsze region, now entirely hers, as providing security for the free course and development of trade. The British Minister would be glad to be in a position to communicate to Her Majesty's Government a definite assurance that China would never alienate (any territory) in the provinces adjoining the Yang-tsze to any other Power, whether under lease, mortgage, or any other designation.

* Translation and text as reprinted in *Rockhill*, p. 174, from *China, 1898*, No. 2. Printed also in *Hertslet*, p. 119; *Kent*, p. 299; *Recueil*, p. 297.

In connection with this declaration see other non-alienation declarations noted under that concerning Hai-nan, March 15, 1897 (No. 1897/2, *ante*). See also the arrangement between the Hongkong and Shanghai Banking Corporation and the British and Chinese Corporation, and a German syndicate, concerning spheres of interest in respect to railway construction, signed September 2, 1898, printed as an annex to the Anglo-German agreement of October 16, 1900 (No. 1900/5, *post*).

The Yamên have to observe that the Yang-tsze region is of the greatest importance as concerning the whole position (or interests) of China, and it is out of the question that territory (in it) should be mortgaged, leased, or ceded to another Power. Since Her Britannic Majesty's Government has expressed its interest (or anxiety) it is the duty of the Yamên to address this note to the British Minister for communication to his Government.

They avail themselves, &c.

NUMBER 1898/2.

GREAT BRITAIN AND CHINA.

Declaration that the Inspector-General of Maritime Customs shall be a British subject while British trade predominates.—February 13, 1898.*

THE TSUNG-LI YAMÊN TO SIR C. MACDONALD.

Kuang-hsü, 24th year, 1st moon, 20th day. (February 10, 1898.)

The Yamên have the honour to acknowledge the receipt on the 3rd February of a note from the British Minister, to the effect that on the 17th January, when calling at the Yamên, he had informed the Ministers present that he had received telegraphic instructions from Her Majesty's Government that in view of the immense preponderance of British trade with China over that of other countries, Her Majesty's Government regarded it as vital to the commercial interests of Great Britain that the Inspector-General of Maritime Customs should in the future, as in the past, be of British nationality. The Yamên had agreed to this, and in order that there might be no room for misunderstanding, the Minister now addressed this note to the Yamên to place the matter formally on record.

The Yamên have to observe that ever since the opening of Chinese ports to foreign trade, commerce and revenue have been steadily increasing. The duties paid by British merchants are nearly 80 per cent. of the whole amount paid by foreign countries, and, therefore, a British subject (Sir Robert Hart) has been employed as Inspector-General of Maritime Customs.

The said Inspector-General is versed in commercial matters, just in his dealings, experienced and upright, faithful and sincere, a man on whom reliance can be placed, and China has in the past leant much upon him. If he were to ask for leave China must (try to) detain him, but if some cause were to necessitate his returning home, China, thoroughly investigating the trade at the various ports, (and finding that) British merchants are in the majority, will

* Text and translation as reprinted in *Rockhill*, p. 176, from *China, 1899*, No. 1, p. 18. Printed also in *Hertslet*, 1151. See Note to this document, *post*, p. 106.

certainly direct the said Inspector-General to recommend an Englishman of equal ability with himself to take charge, and the Yamên will, after inquiry, appoint him as successor to manage Chinese Customs matters. The object being the protection of commerce at the various ports, (the Yamên) could not possibly regard this selection as a light matter, and so do injury to important public interests.

The Yamen beg to make this reply to the British Minister for his information.

They avail themselves, &c.

(Seal of Yamên.)

THE TSUNG-LI YAMÊN TO SIR C. MACDONALD.

Kuang-hsü, 24th year, 1st moon, 23rd day. (February 13, 1898.)

The Yamên have the honour to address the British Minister with regard to the continued employment in the future of an Englishman in succession to the Inspector-General of Maritime Customs, on which subject they addressed a reply to his Excellency a few days ago.

They have to observe that British trade with China exceeds that of all other countries, and, as the Yamên have frequently agreed and promised, it is intended that as in the past, so in the future, an Englishman shall be employed as Inspector-General.

But if at some future time the trade of some other country at the various Chinese ports should become greater than that of Great Britain, China will then of course not be bound to necessarily employ an Englishman as Inspector-General.

The Yamên write this further despatch for the information of the British Minister, to be placed on record.

They avail themselves, &c.

(Seal of Yamên.)

Note.

In connection with this declaration see also *China, 1906,* No. 1, in which are given the following translations of an imperial edict of May 9, 1906, and of a note under date of June 1, 1906, from the president of the Wai-wu Pu (Prince Ch'ing) to the British chargé d'affaires, in reference thereto:—

Imperial Edict of May 9, 1906: "Tieh Liang, President of the Board of Revenue, is appointed Imperial High Commissioner of Customs, and T'ang Shao-yi is appointed Imperial Vice-Commissioner of the same. All Chinese and foreign employees of the said Customs are to be under the control and direction of the above-named High Commissioners." (See circulars of the Inspector-General of Customs of September 22, 1906, No. 1369, Second Series, and October 30, 1906, No. 1381, Second Series.)

Note of Prince Ch'ing to the British chargé d'affaires, June 1st, 1906: "Sir: I had the honor to inform you in a note of the 27th May that the special appointment by China of High Commissioners for the exclusive control (or management) of the Maritime Customs made no change in the mode of administration laid down in the Loan Agreements.

At an interview at the Wai-wu Pu on the 28th May you intimated that the terms of this note were not sufficiently explicit as to China's intentions, and requested a further statement in the matter.

"In the 7th Article of the Loan Agreement of 1896 and in the 6th Article of the Loan Agreement of 1898 it is stipulated 'that the administration of the Chinese Imperial Maritime Customs shall remain as at present constituted during the currency of this loan,' and I have the honor to state that the Imperial Decree of the 9th May specially appointing High Commissioners to control (or manage) revenue affairs does not make any change in the method of Administration laid down in the Loan Agreements.

"While communicating the above to you, for the information of His Majesty's Government, I avail, etc."

The references in the second paragraph of the above note are to the loan agreements concluded with the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank, March 23, 1896 (No. 1896/2, *ante*) and March 1, 1898 (No. 1898/3, *post*).

NUMBER 1898/3.

GERMANY (Deutsch-Asiatische Bank), GREAT BRITIAN (Hongkong and Shanghai Banking Corporation) AND CHINA.

Agreement for the Chinese Imperial Government 4½% Gold Loan of 1898.—March 1, 1898.*

This Agreement is made between the Tsungli Yamen Peking acting on behalf of the Imperial Government of China of the one part and the Hongkong and Shanghai Banking Corporation and the Deutsch Asiatische Bank, hereinafter called "the Banks" of the other part.

Whereas a simple Memorandum of Agreement for an Imperial Chinese Government four and a half percent Gold Loan of Sixteen Million pounds sterling was executed between the Imperial Government of China and the Hongkong and Shanghai Banking Corporation on the nineteenth day of February last; and Whereas on the twenty-fifth day of February last telegraphic advice was received from the Banks in Europe that they are prepared to issue the loan on the conditions specified in that Memorandum of Agreement:

It is now agreed as follows.

1.—The Imperial Government of China hereby authorizes the Banks to issue an Imperial Chinese four and a half percent Gold Loan for the amount of Sixteen Million pounds sterling. The Loan shall be dated the first day of March One thousand eight hundred and ninety eight.

2.—The rate of interest for the loan shall be four and a half per cent per annum on the nominal principal, that is shall be seven hundred and twenty thousand pounds Sterling per annum: the interest on the loan shall be calculated from the first day of March One thousand eight hundred and ninety eight, and shall be paid by the Chinese Imperial Government to the Banks in monthly

* In connection with this agreement see also the Agreement for the Chinese Imperial Government 5% sterling loan of 1896, signed March 23, 1896 (No. 1896/2, *ante*).

instalments in accordance with the amounts and dates of the Schedule attached to this Agreement.

3.—The term of the loan shall be forty-five years and repayments of principal shall be made by yearly sinking fund of One hundred and fifteen thousand two hundred and thirty-two pounds sterling which shall be paid by the Chinese Imperial Government to the Banks in monthly instalments in accordance with the amounts and dates of the schedule attached to this agreement. During the said term of forty-five years the amortization shall not be increased nor the loan redeemed nor converted by the Chinese Imperial Government.

4.—The total monthly payment due for amortization and interest, and amounting to sixty nine thousand six hundred and two pounds thirteen shillings and four pence sterling shall be made in equal shares and in accordance with the amounts and dates of the schedule attached to this Agreement, to the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank by the Chinese Imperial Government, who shall hand to those Banks at their Branches in Shanghai on the dates named in the schedule funds in Shanghai sycee sufficient to meet each such payment in sterling in Europe, the rate of exchange for which shall be settled with those two Banks on the same day. The Banks retain the right to rearrange the service of interest and repayments of principal to the Bondholders on such terms as they deem advisable.

In reimbursement of expenses incurred in connection with the distribution of the service to Bondholders of the principal and interest of the loan, the Banks shall receive from the Chinese Imperial Government a commission of a quarter percent on the annual loan Service, say an amount of two thousand and eighty eight pounds one shilling and eight pence sterling per annum, to be paid to the Banks on the dates provided in the schedule attached to this Agreement.

5.—The Banks shall issue, and are hereby authorized to issue to subscribers to the loan, Bonds for the total amount of the loan in pounds sterling, in such form, in such languages and for such amounts as shall appear advisable to the Banks; and these Bonds shall be sealed by the Minister for China in London or Berlin as evidence that the Chinese Imperial Government is bound thereby.

In the event of Bonds issued for this loan being lost, stolen or destroyed, the Banks shall immediately notify the Chinese Minister in London or Berlin thereof, who shall authorize the Banks to insert an advertisement in the public newspapers notifying that payment of the same has been stopped and to take such other steps as required by the laws of the country: should such Bonds not be recovered after the lapse of time provided by the law the Chinese Minister in London or Berlin shall, without further authority from the Chinese Imperial Government, seal and execute duplicate Bonds for a like amount and hand them to the Banks, by whom all expenses in connection therewith shall be defrayed.

6.—This entire loan of Sixteen Million pounds sterling shall be secured as follows:

(1) By a charge on the revenues of the Imperial Maritime Customs of

China, subject to previous loans already charged on the security thereof and not yet redeemed.

(2) By a first charge, free from all encumbrances, upon the following revenues to be forthwith placed under the control of the Inspector General of Maritime Customs:

General Lekin of Soochow, estimated at	Tls.	800,000
General Lekin of Sung Hu, estimated at		1,200,000
General Lekin of Kiukiang, estimated at		200,000
General Lekin of Eastern Chekiang, estimated at		1,000,000
Salt Lekin of Ichang, estimated at		1,000,000
Salt Lekin of Hupeh, estimated at		500,000
Salt Lekin of Anhui, estimated at		300,000
Total five million taels.	Tls.	5,000,000

This entire loan of Sixteen million pounds Sterling shall have priority, both as regards principal and interest, over all future loans, charges or mortgages, so long as this loan or any part thereof shall be unredeemed. No loan, charge or mortgage shall be raised or created which shall take precedence of or be on an equality with this loan, or which shall in any manner lessen or impair its security over the said Customs and lekin revenues, so far as required for the Annual Service of this loan, and any future loan, charge or mortgage charged on the said Customs or lekin revenue shall be made subject to this loan, and it shall be so expressed in every Agreement for any such future loan, charge or mortgage.

The Chinese Imperial Government undertake that the administration of the Chinese Imperial Maritime Customs service shall remain as at present constituted during the currency of this loan.

In the event of the Customs and lekin revenues specified and pledged by this clause being at any future time insufficient for the service of principal and interest of this loan, either owing to depreciation of Silver, diminution of revenue or any other cause the Chinese Imperial Government hereby engages to appropriate, and forthwith place under the control of the Inspector General of Maritime Customs, further revenues sufficient to complete the amount required.

In the event of the Chinese Government, during the currency of this loan, entering upon negotiations for a revision of Customs tariff accompanied by stipulations for decrease or abolition of lekin, it is hereby agreed, on the one hand, that such revision shall not be barred by the fact that this loan is secured by lekin and, on the other hand, that whatever lekin is pledged for the service of this loan shall neither be decreased nor abolished except by arrangement with the Banks and then only in so far as an equivalent is substituted for it in the shape of a first charge upon the increase of Customs revenue consequent on such revision.

7.—This loan shall be further secured by Customs/lekin Annual Bonds for the total amount in sterling of the loan, principal and interest, issued and sealed by the Tsungli Yamen and the Board of Revenue Peking, and countersigned

by the Inspector General of Maritime Customs, and all such Customs/lekin Annual Bonds shall contain the Clause No. 6 of this Agreement from its commencement as far as the words: " for any such future loan charge or mortgage ". These Customs/lekin Annual Bonds shall be handed in equal shares to the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank before payment to the Chinese Imperial Government of the proceeds of the loan.

8.—This loan shall also be further secured by deposit with the Hongkong and Shanghai Banking Corporation and Deutsch-Asiatische Bank of sterling Customs/lekin monthly Bonds equal in value altogether to the total amount of the loan, principal and interest, sealed by the Chinese Superintendent of Customs at Shanghai and by the Viceroy of the Liang-kiang Provinces, and countersigned by the Foreign Commissioner of Customs at Shanghai. These Customs/lekin monthly Bonds shall be handed to the Hongkong and Shanghai Banking Corporation and Deutsch-Asiatische Bank at their Branches at Shanghai in equal shares on or before the first day of June next and, in the event of the money to meet a payment of interest and/or sinking fund not being handed to the Hongkong and Shanghai Banking Corporation and Deutsch-Asiatische Bank at their Branches at Shanghai on due date shall be available everywhere in China for payment of Imperial Maritime Customs duties and/or lekin dues or in such other manner as stated in the Bonds and the Provincial Authorities shall be instructed by Imperial Edict accordingly.

9.—The Chinese Imperial Government hereby undertakes to pay the entire balance of the Indemnity due on the eighth day of May next to the Imperial Japanese Government out of the proceeds of this loan. No further loan shall be issued by the Chinese Imperial Government except through the Banks, until a period of twelve months has elapsed after the issue of the total amount of this loan.

10.—All Bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from Chinese taxes and imposts forever.

11.—All details necessary for the Prospectus and connected with the service to the Bondholders of the interest and repayments of the principal of this loan, not herein explicitly provided for, shall be left to the arrangement of the Banks, who shall issue, and are hereby authorized to issue a Prospectus of the loan as soon as possible after the signing of this Agreement. The Chinese Imperial Government will instruct the Chinese Ministers in London and Berlin in communication with the Commissioner of Chinese Customs in London to co-operate with the Banks in any matters requiring conjoint action, and the Chinese Minister in Berlin shall sign the Prospectus of the loan as required by the rules of the Berlin stock-exchange.

12.—The Banks hereby take the loan firm at the price of eighty three percent net on the nominal principal to the Chinese Imperial Government, and will hold the net proceeds, namely thirteen million two hundred and eighty thousand pounds sterling to the order of the Chinese Imperial Government in London and/or Berlin as follows:

On the sixth day of May, one thousand eight hundred and ninety eight £12,000,000
On the sixth day of June, one thousand eight hundred and ninety eight 1,280,000

Total thirteen million two hundred and eighty thousand pounds sterling £13,280,000

13.—In the event of any extraordinary political or financial crisis taking place in Europe or elsewhere by which the markets are so violently affected as to render the successful floating of this loan impossible on the terms herein named the Banks have the right to withdraw from this contract with the Chinese Imperial Government, and it shall in that case become null and void.

14.—Immediately on the signature of this Agreement, and before the Prospectus of the Loan shall be issued to the public the Tsungli Yamen shall memorialize the Throne and obtain an Imperial Edict confirming and sanctioning the provisions of this Agreement, and shall then instruct the Inspector General of Maritime Customs to assume control forthwith over the revenues therein indicated; the Imperial Edict so received shall be communicated officially, and without delay, by the Tsungli Yamen to the Ministers for Great Britain and Germany in Peking.

15.—The Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank shall take the loan in equal shares and without responsibility for each other.

16.—Quadruplicate sets of this Agreement are executed in English and Chinese, one set to be retained by each contracting party and one set by the Inspector General of Maritime Customs. In the event of any doubt arising regarding the interpretation of this contract the English text shall be accepted as the standard.

Signed at Peking by the contracting parties this ninth day of the second month of the twenty fourth year of the Emperor Kuang-hsü being the first day of March one thousand eight hundred and ninety eight, Western Calendar.

For the Hongkong and Shanghai Banking Corporation,
(*Sgd.*) E. G. Hillier, *Agent*
For the Deutsch-Asiatische Bank,
(*Sgd.*) Rump.

Schedule of Interest and Sinking-fund Payments

Date 1898	Interest	Sinking-fund	Total
July 5th	£120,000	£19,205/6/8	£139,205/6/8
July 20th	120,000	19,205/6/8	139,205/6/8
August 5th	120,000	19,205/6/8	139,205/6/8
			£417,616/–/–

September 5th.....	£ 60,000	£ 9602/13/4	£69,602/13/4
October 5th.....	60,000	9602/13/4	69,602/13/4
November 5th.....	60,000	9602/13/4	69,602/13/4
December 5th	60,000	9602/13/4	69,602/13/4

and the same payment of sixty nine thousand six hundred and two pounds thirteen shillings and four pence shall be repeated on the fifth day of each month of the year one thousand eight hundred and ninety nine Western Calendar and of each succeeding year until the fifth day of February one thousand nine hundred and forty three inclusive, that being the last payment when the loan will be extinguished.

In addition to the payment of principal and interest scheduled above, the Chinese Imperial Government shall on the fifth day of February of each year, commencing with the fifth day of February one thousand eight hundred and ninety nine, pay to the Banks in equal shares at their Branches in Shanghai the sum of Two thousand and eighty eight pounds one shilling and eight pence being the commission of one quarter percent on the Annual Service of the loan, provided for in clause four of the accompanying Agreement.

(*Sgd.*) E. G. Hillier.
(*Sgd.*) Rump.

NUMBER 1898/4.

GERMANY AND CHINA.

Convention respecting the lease of Kiaochow.—March 6, 1898.*

The incidents connected with the Mission in the Prefecture of Tsao-chau-foo, in Shantung, being now closed, the Imperial Chinese Government consider it advisable to give a special proof of their grateful appreciation of the friendship

* Translation from the German text as printed in *Customs*, Vol. II, p. 208. The German text of Section 1 was printed in *Das Staatsarchiv*, vol. 61, No. 11518; translations from that version and from an unofficial version of Sections II and III are printed in *Rockhill*, p. 45; *Am. Int. Law Journal, Supplement*, 1910, p. 285; *Hertslet*, p. 350; *Kent*, p. 259. See also *China, 1899*, No. 1, pp. 67 and 152.

In connection with this convention see also the following documents:—

1. Anglo-German Declaration respecting Weihaiwei, April 20, 1898 (attached to No. 1898/14, *post*);
2. Anglo-German bankers' arrangement respecting spheres of interest in railway construction, September 2, 1898 (attached to No. 1900/5, *post*);
3. Declarations made to the United States regarding the open-door policy, March 20, 1900 (No. 1900/2, *post*);
4. Anglo-German Declaration defining their mutual policy in China, October 16, 1900 (No. 1900/5, *post*);
5. Declaration of war by Japan against Germany, August 23, 1914 (No. 1914/9, *post*);
6. Treaty between Japan and China respecting the Province of Shantung (with accompanying exchanges of notes), May 25, 1915 (No. 1915/8, *post*); and
7. Treaty of Peace between the Allied and Associated Powers, and Germany, June 28, 1919 (No. 1919/1, *post*).

Concerning customs matters, see the following:—

1. Agreement between Germany and China for the establishment of a maritime customs

shown to them by Germany. The Imperial German and the Imperial Chinese governments, therefore, inspired by the equal and mutual wish to strengthen the bonds of friendship which unite the two countries, and to develop the economic and commercial relations between the subjects of the two States, have concluded the following separate Convention:—

Section I

Article I.—**Rights ceded to German troops.**—His Majesty the Emperor of China, guided by the intention to strengthen the friendly relations between China and Germany, and at the same time to increase the military readiness of the Chinese Empire, engages, while reserving to himself all rights of sovereignty in a zone of 50 kilometres (100 Chinese *li*) surrounding the Bay of Kiao-chau at high-water, to permit the free passage of German troops within this zone at any time, as also to abstain from taking any measures, or issuing any Ordinances therein, without the previous consent of the German Government, and especially to place no obstacle in the way of any regulation of the water-courses which may prove to be necessary.†

Rights reserved.—His Majesty the Emperor of China, at the same time, reserves to himself the right to station troops within that zone, in agreement with the German Government, and to take other military measures.

Article II.—**Territory leased.**— With the intention of meeting the legitimate desire of His Majesty the German Emperor, that Germany, like other Powers, should hold a place on the Chinese coast for the repair and equipment of her ships, for the storage of materials and provisions for the same, and for other arrangements connected therewith, His Majesty the Emperor of China cedes to Germany on lease, provisionally for ninety-nine years, both sides of the entrance

office at Tsingtau, April 17, 1899 (No. 1899/2, *post*), to which are attached the agreement concerning inland waters steam navigation, April 17, 1904; amendment of the customs agreement of 1899, December 1, 1905; and German ordinances regulating procedure in customs matters, December 2, 1905, and concerning manufactures in German territory, April 17, 1907); and

2. Agreement between Japan and China concerning the reopening of the maritime customs office at Tsingtau, August 6, 1915 (No. 1915/12, *post*).

In regard to railway matters, see the following:—

1. Anglo-German bankers' agreement respecting spheres of interest in railway construction, September 2, 1898 (attached to No. 1900/5, *post*);

2. Regulations for the Kiaochow-Tsinanfu Railway, March 21, 1900 (No. 1900/3, *post*), to which is attached the charter of the Schantung Eisenbahn-Gesellschaft for the construction and operation of a railway from Tsingtau to Tsinanfu, June 1, 1899);

3. Agreement for a loan by British and German banks for the construction of the Tientsin-Pukow Railway, January 13, 1908 (No. 1908/1, *post*); and

4. Exchange of notes between Germany and China in regard to the extension of the Shantung Railway, December 31, 1913 (No. 1913/16, *post*).

In regard to mining matters, see the Agreement for joint coal mining by Chinese and Germans, March 21, 1900 (No. 1900/4, *post*). See also note attached to Section II, Article IV of the convention (p. 115, *post*).

In reference to postal matters, see the agreement between China and Germany, November 3, 1905 (attached to the note on the International Postal Convention of May 26, 1906, No. 1906/3, *post*), and the Agreement between Japan and China concerning postal and telegraph operations at the leased territory of Kiaochow Bay and along the Kiao-Tsi Railway, March 26, 1917 (No. 1917/5, *post*).

See further Note 1 to this document, *post*, p. 116.

† See Note 2 to this document, *post*, p. 118.

to the Bay of Kiao-chau. Germany engages to construct, at a suitable moment, on the territory thus ceded, fortifications for the protection of the buildings to be constructed there and of the entrance to the harbour.

ARTICLE III.—**Limits of territory leased.**—In order to avoid the possibility of conflicts, the Imperial Chinese Government will abstain from exercising rights of sovereignty in the ceded territory during the term of the lease, and leaves the exercise of the same to Germany within the following limits:—

(1.) On the northern side of the entrance to the bay:

The peninsula bounded to the north-east by a line drawn from the north-eastern corner of Potato Island to Loshan Harbour.

(2.) On the southern side of the entrance to the bay:

The peninsula bounded to the south-west by a line drawn from the south-westernmost point of the bay lying to the south-south-west of Chiposan Island in the direction of Tolosan Island.

(3.) The Island of Chiposan and Potato Island.

(4.) The whole water area of the bay up to the highest water-mark at present known.

(5.) All islands lying seaward from Kiao-chau Bay, which may be of importance for its defence, such as Tolosan, Chalienchow, &c.

Delimitation.—The High Contracting Parties reserve to themselves to delimit more accurately, in accordance with local traditions, the boundaries of the territory leased to Germany and of the 50-kilometer zone around the bay, by means of Commissioners to be appointed on both sides.

Rights of Chinese ships in Kiao-chau Bay.—Chinese ships of war and merchant-vessels shall enjoy the same privileges in the Bay of Kiao-chau as the ships of other nations on friendly terms with Germany; and the entrance, departure, and sojourn of Chinese ships in the bay shall not be subject to any restrictions other than those which the Imperial German Government, in virtue of the rights of sovereignty over the whole of the water area of the bay transferred to Germany, may at any time find it necessary to impose with regard to the ships of other nations.

ARTICLE IV.—**Navigation signals.**—Germany engages to construct the necessary navigation signals on the islands and shallows at the entrance of the bay.

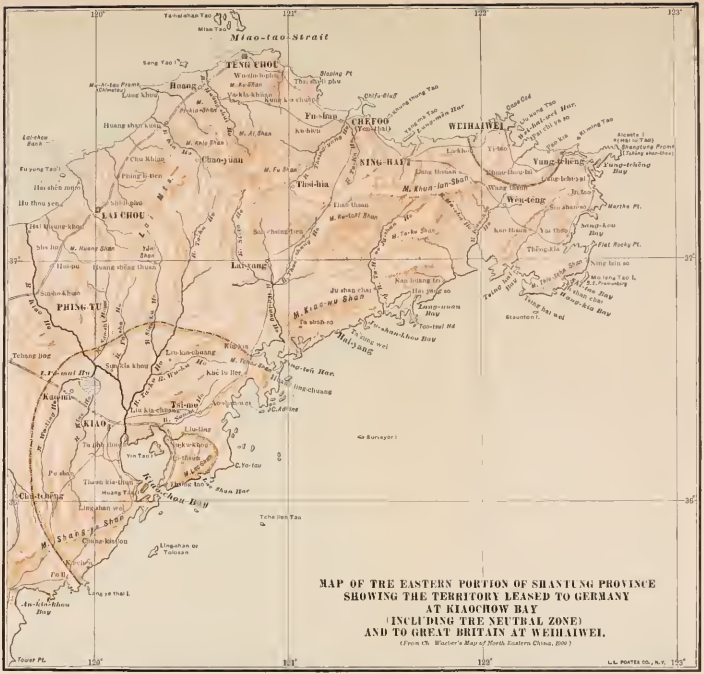
Port dues.—No dues shall be demanded from Chinese ships of war and merchant-vessels in the Bay of Kiao-chau, except those which may be levied upon other vessels for the purpose of maintaining the necessary harbour arrangements and quays.

ARTICLE V.—**Return of leased territory.**—Should Germany at some future time express the wish to return Kiao-chau Bay to China before the expiration of the lease, China engages to refund to Germany the expenditure she has incurred at Kiao-chau, and to cede to Germany a more suitable place.

Germany engages at no time to sublet the territory leased from China to another Power.

Chinese in leased territory.—The Chinese population dwelling in the ceded territory shall at all times enjoy the protection of the German Government,

Lai-chou Bank
Fu-yung-Tao
Hai-shi
Hu-thou-ye
Hai-thsu
Sha-h
37°
R. Kiao
Sin-l
Tchang-ling
L.P
Ka
R. Wa-ling
P
Chi-tché
36
M.
An-kia-
Bay
Tower Pt.



MAP OF THE EASTERN PORTION OF SHANTUNG PROVINCE SHOWING THE TERRITORY LEASED TO GERMANY AT KIAOCHOW BAY (INCLUDING THE NEUTRAL ZONE) AND TO GREAT BRITAIN AT WEIHAIWEI.

(From Ch. Waeber's Map of North Eastern China, 1900.)

provided that they behave in conformity with law and order; unless their land is required for other purposes they may remain there.

If land belonging to Chinese owners is required for any other purpose, the owner will receive compensation therefor.

Customs stations.—As regards the re-establishment of Chinese customs stations which formerly existed outside the ceded territory, but within the 50-kilometer zone, the Imperial German Government intends to come to an agreement with the Chinese Government for the definitive regulation of the customs frontier, and the mode of collecting customs duties, in a manner which will safeguard all the interests of China, and proposes to enter into further negotiations on the subject.‡

Section II.—Railway and Mining Affairs.

Article I.—The Chinese Government sanctions the construction by Germany of two lines of railway in Shantung. The first will run from Kiao-chau via Weihsien, Tsingchofu, Poshan, Tzechwan, and Tsowping to Tsinan and the boundary of Shantung. The second line will run from Kiao-chau to Ichowfu, and from there to Tsinan via Laiwuhsien. But the construction of the extension from Tsinan to the boundary of Shantung shall not be begun until the railway is completed as far as Tsinan in order that further consideration may be given by the Chinese as to how they will connect this with their own trunk line. The route to be taken by this last branch will be definitely determined in the regulations which will be drawn up hereafter.

Article II.—In order to carry out the above-mentioned railway work, a Chino-German Company shall be formed. This Company may have offices in one place or in several places, and both German and Chinese merchants shall be at liberty to invest money therein, and share in the appointment of directors for the management of the undertaking.

Article III.—Germany and China shall in the near future draw up a further agreement relative to the management of the railway by the Company, and all matters pertaining thereto shall be discussed and decided upon by these two countries alone. But the Chinese Government shall afford every facility to the Chino-German Company in the construction of the road, and it shall enjoy all the advantages and benefits extended to other Chinese-foreign companies operating in China. It is understood that the object of this agreement is solely the development of commerce, and in constructing this railroad there is no intention to unlawfully seize any land in the Province of Shantung.

Article IV.—The Chinese Government will allow German subjects to hold and develop mining property for a distance of thirty *li* from each side of those railways and along the whole extent of the lines.§ The following places where mining operations may be carried on are particularly specified: Weihsien and

‡ *Rockhill*, citing *Reichsanzeiger*, Sept. 5, 1898, notes that Kiaochow was opened as a free port on September 2, 1898.

§ By a subsequent agreement dated July 24, 1911 (attached to the Mining Regulations of 1900, No. 1900/4, *post*), Article IV was modified by the substitution of specific mining areas in lieu of the general grant of mining rights within 30 *li* (approximately 10 miles) on either side of the line of the Shantung Railway.

Poshan along the line of the northern railway from Kiao-chau to Tsinan, and Ichow, Laiwuhsien, etc., along the southern or Kiao-chau-Ichow-Tsinan line. Both German and Chinese capital may be invested in these mining and other operations, but as to the rules and regulations relating thereto, this shall be left for future consideration. The Chinese Government shall afford every facility and protection to German subjects engaged in these works, just as provided for above in the article relating to railway construction, and all the advantages and benefits shall be extended to them that are enjoyed by the members of other Chinese-foreign companies. The object in this case is also the development of commerce solely.

SECTION III.—**Commercial operations in Shantung.**

The Chinese Government binds itself in all cases where foreign assistance, in persons, capital or material, may be needed for any purpose whatever within the Province of Shantung, to offer the said work or supplying of materials in the first instance to German manufacturers and merchants engaged in undertakings of the kind in question. In case German manufacturers or merchants are not inclined to undertake the performance of such works, or the furnishing of materials, China shall then be at liberty to act as she pleases.

The above Agreement shall be ratified by the Sovereigns of both the Contracting States, and the ratifications exchanged in such manner that, after the receipt in Berlin of the Treaty ratified by China, the copy ratified by Germany shall be handed to the Chinese Minister in Germany.

The foregoing Treaty has been drawn up in four copies, two in German and two in Chinese, and was signed by the Representatives of the two Contracting States on the 6th March, 1898, corresponding to the 14th day of the second month in the twenty-fourth year Kuang-hsü.

(Great Seal of the Tsung-li Yamên.)

(*Signed*) Baron von HEYKING,
The Imperial German Minister.

LI HUNG-CHANG (in Chinese),
Imperial Chinese Grand Secretary, Minister of the Tsung-li Yamên, &c., &c.

WENG TUNG-HO (in Chinese),
Imperial Chinese Grand Secretary, Member of the Council of State, Minister of the Tsung-li Yamên, &c., &c.

Note 1.

In the course of a correspondence, initiated by the American Government, as to the construction to be placed upon this convention in the light of the German Government's adherence to the open-door principle as proposed by Secretary Hay under date of September

6, 1899, the German Embassy at Washington submitted to the Department of State on February 14, 1902, the following memorandum:—

Memorandum of German Embassy in Washington regarding German Rights in Shantung.—February 14, 1902.

"The Imperial German Government has no intention whatever of abandoning its adherence to the principle of the Open Door recognized also for the province of Shantung; neither does it contemplate any measures which might be used by other powers as an encouragement for further disintegrating on their part the actual state of possessions of the Chinese Empire.

"The Imperial German Government wants to state that any apprehensions in this respect which may possibly have been created by press-dispatches emanating from English sources are without foundation. The facts are that a German corporation has obtained mining concessions for certain strictly defined mineral lands situated in the province of Shantung; but this does in no way mean a monopoly for the whole province."

Under date of April 19, 1902, the German Foreign Office addressed to the American Embassy in Berlin a memorandum of which the translation is as follows:—

Memorandum of German Foreign Office regarding German Rights in Shantung.—April 19, 1902.

April 19, 1902.

"I. The treaty between Germany and China which was concluded on March 6, 1898, regarding the transfer under lease of certain territory on Kiao-chow Bay, was requisitely ratified in due time and has been in force legally between the two contracting parties ever since.

"II. The extract from the treaty which was contained in the Memorandum from the American Embassy, in the English language, is incorrect in its first paragraph. The provisions referred to, in the original text, read verbally rather as follows:

"'The Chinese Government binds itself in all cases where foreign assistance, in persons, capital or material, may be needed for any purpose whatever within the Province of Shantung, to offer the said work or furnishing of material, in the first instance, to German industrialists and merchants who are engaged in undertakings of the kind in question.

"'In case the German industrialists and merchants are not inclined to undertake the performance of such works or to furnish material, China shall then be at liberty to act as she pleases.'

"III. 1.) The foregoing provisions do not grant any exclusive rights to Germany, they merely bind China to offer the works and schemes concerned to Germans, but leave to persons of other nationality absolute freedom to obtain the contracts for the furnishing of material by offering more favorable terms.

"The Imperial Government has as yet not learned of any instance where Americans or any persons of any other nationality have actually been placed at disadvantage through the application of these provisions.

"2.) The declaration of the principle of the 'Open-Door' by Germany as well as by the other Powers, was made a long time after the Kiao-chow treaty had gone into effect. Hence the later assertion of this principle cannot be applied retroactively to German rights previously obtained, as moreover, none of the other nations has renounced rights already acquired on account or in consequence of its acceptance of the principle of the 'Open-Door.'

"3.) France, in particular, on the strength of older treaty provisions after which those of the Kiao-chow treaty of 1898 were modeled, claims similar but more far-reaching rights in the southern Provinces of China. So long in the first place as France cannot be induced to renounce these rights the Imperial Government is hardly in a position to consider the renunciation of similar rights obtained by it in Shantung.

"4.) In other parts of China various other nations hold railway and other concessions of so wide a scope that their realization is not to be thought of within any measurable time, and which therefore practically amount to exclusive privileges. If the Government of the United States is inclined to urge the strict carrying out of the principle of the 'Open-Door,' which Germany would only find proper on the supposition that its application would be absolutely the same to all, it would above all be necessary to raise objections to such exclusive rights as are disguised under the name of concession. On the other hand, to begin with a restriction of the German rights in Shantung, which are really quite modest and which in reality seriously prejudice the interests of no one, would neither be just nor acceptable.

"5.) Finally, the Imperial Government cannot leave out of consideration, in taking up its position, (the fact) that the American Government has as yet refused to recognize the principle of the 'Open-Door' in the Philippines—to the serious disadvantage of Germans who have obtained rights there."

Note 2.

In the *Claim of China for direct restitution to herself of the Leased Territory of Kiaochow, the Tsingtao—Chinan Railway and other German Rights in respect of Shantung Province,* as presented by the Chinese Delegation for the consideration of the Preliminary Peace Conference at Paris, in February, 1919, is given (at p. 35) the following translation of a convention between China and Germany respecting the withdrawal of German troops from the cities of Kiaochow and Kaomi (in the 50-kilometer zone), concluded November 28, 1905:—

Agreement for Withdrawal of German Troops from Kiaochow and Kaomi.—November 28, 1905.

"The Emperor of China has appointed Yang Shih-hsiang, Civil and Military Governor of Shantung, and the German Emperor, Van Semmern, Civil and Military Governor of Kiaochow, who after communicating full powers and finding them in due form have agreed upon the following articles.

"Whereas the German Emperor has, for the purpose of promoting friendly relations, agreed to withdraw the troops stationed at Kiaochow and Kaomi, the following articles are hereby concluded.

"Article 1.—The German troops at Kiaochow shall withdraw immediately after this Convention has been signed.

"Article 2.—One fourth of the German troops stationed at Kaomi shall withdraw immediately after the signing of this Convention, and another fourth, within two months therefrom. The remaining troops shall withdraw within the next two months during which period barracks and stables shall be so speedily built in Tsingtao that the said troops may withdraw altogether within this said time-limit. But in case the said works cannot be finished within the two months, a complete withdrawal shall nevertheless be effected—there shall be no further extension of time.

"Article 3.—from the date of the signing of this Convention, no matter whether the German troops at Kiaochow and Kaomi have completely withdrawn or not, the railways within the surrounding zone shall completely be under the supervision and protection of the Chinese local authorities and police officers. The police officers shall despatch so many policemen as they deem fit, but not more than two hundred and forty, to be evenly stationed at various sections: all matters relating thereto shall be conducted according to the police regulations prevailing beyond the surrounding zone. At some place near the city of Kaomi there shall be established a police office with a police force of not more than one hundred men who shall, by turn, attend to their duty in the protection of the railway and in the suppression of disturbances which may arise. But if China should station troops in the said place, all matters relating thereto shall be governed by the Kiaochow Lease Convention.

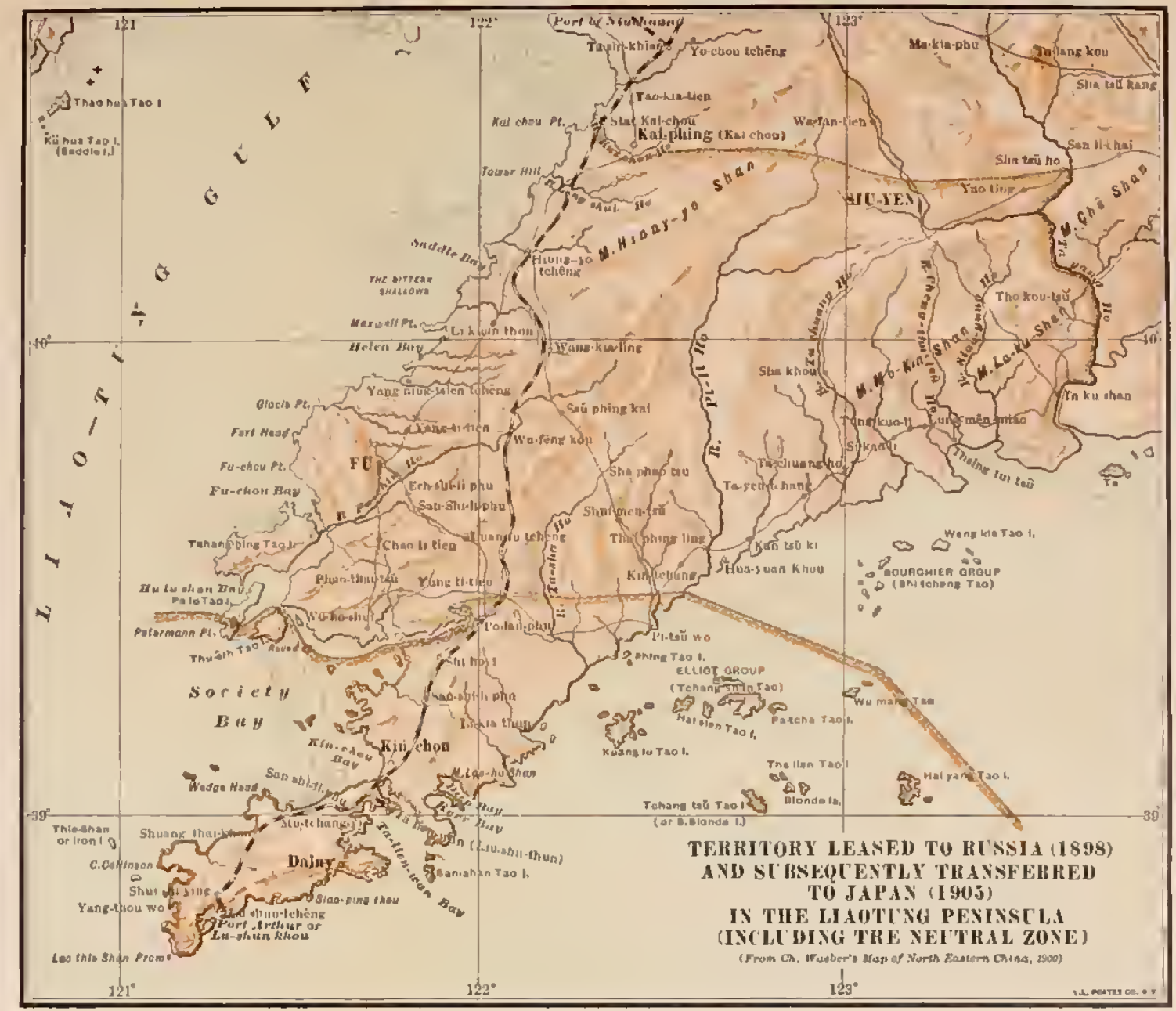
"Article 4.—All the works which Germany has constructed in Kiaochow and Kaomi such as barracks, stables, drill grounds, roads, waterworks, and the like, together with the foundations thereof, houses and the fixtures attached thereto cost, calculated at their original prices, $496,388.48. From this amount are to be substracted $5,000.00 as rent paid for the German Government by the Chinese Government, $21,388.48 expended for annual repairs and considered as representing the annual dimunition of the value of the properties, and $70,000.00 as extra reduction; the net price will then be $400,000.00 at which the said properties will be purchased by and reverted to China under a separate agreement. The price of the buildings shall be paid off in four installments within two years from the day when the barracks at Kiaochow and Kaomi are handed over. After their purchase or reversion, all the buildings shall be reserved for educational and other public uses.

"Article 5.—In case Germany should, in accordance with the Treaties, require passage for her troops through Kiaochow and Kaomi, and stay there for a few days, a few weeks' notice will be necessary, in order that a vacant place may be assigned for their temporary stay, free of charge.

"Of this Convention there shall be made four copies in Chinese and four in German, identical in sense; and after they have been signed, two copies each of the Chinese and German texts shall be filed at the office of the Governor of Shantung, and the other two copies each of the said two languages, at the office of the Civil and Military Governor of Kiaochow, for reference, transmission and observance.

"The second Day, eleventh Moon of the Reign of Kwanghsu corresponding to the 28th of November, 1905.

"Signed: Yang Shih-Hsiang.
Van Semmern."



TERRITORY LEASED TO RUSSIA (1898) AND SUBSEQUENTLY TRANSFERRED TO JAPAN (1905) IN THE LIAOTUNG PENINSULA (INCLUDING THE NEUTRAL ZONE)

(From Ch. Wueber's Map of North Eastern China, 1900)

NUMBER 1898/5.

RUSSIA AND CHINA.

Convention for the lease of the Liaotung Peninsula.—March 27, 1898.*

His Majesty the Emperor and Autocrat of all the Russias, and His Majesty the Emperor of China, being desirous of still further strengthening the friendly relations existing between the two Empires and mutually wishing to insure the means whereby to show reciprocal support, have appointed as their Plenipotentiaries, for the purpose of arriving at an agreement on this matter:

His Majesty the Emperor of Russia—M. Alexander Pavlow, Gentleman of the Court, and His Majesty's Chargé d'Affaires accredited to the Government of H. M. the Emperor of China;

His Majesty the Emperor of China—Count Li, Chancellor, Member of the Ministry of Foreign Affairs, and Senior Preceptor of the Heir to the Throne, and Chang, Assistant Minister of Finance, and Member of the Ministry of Foreign Affairs, with Ministerial rank.

The above-named Plenipotentiaries, furnished with due powers, have decided upon the following stipulations:

Art. I.—For the purpose of ensuring that the Russian naval forces shall possess an entirely secure base on the littoral of northern China, H. M. the Emperor of China agrees to place at the disposal of the Russian Government, on lease, the Ports Arthur (Liou-choun-kow) and Ta-lien-wan, together with the water areas contiguous to these ports. This act of lease, however, in no way violates the sovereign rights of H. M. the Emperor of China to the above-mentioned territory.

Art. II.—The frontier of the territory leased on the above-specified basis, will extend northwards from the Bay of Ta-lien-wan for such distance as is necessary to secure the proper defence of this area on the land side. The precise line of demarcation and other details respecting the stipulations of the present Convention will be determined by a separate Protocol which shall be concluded at St. Petersburg with the dignitary Siou-tzin-ch'eng immediately after the signature of the present Convention. Upon the determination of this line of demarcation, the Russian Government will enter into complete and exclusive enjoyment of the whole area of the leased territory together with the water areas contiguous to it.

Art. III.—The term of the lease shall be twenty-five years from the date of the signature of the present agreement and may be prolonged subsequently by mutual consent of both Governments.†

* Translation from the Russian text as printed in *Recueil*, p. 331. Printed also in Russian and Chinese texts in *Customs*, Vol. II, pp. 219, 223; and, in a translation from unofficial versions, in *Rockhill*, p. 50; *Hertslet*, p. 505; *Am. Int. Law Journal, Supplement*, 1910, p. 289; *F. E. Review*, vol. 11, p. 395. See Note to this document, *post*, p. 121.

† See, however, the Exchange of Notes between China and Japan concerning the extension of this term, May 25, 1915 (No. 1915/8, *post*).

Art. IV.—During the above-specified period, on the territory leased by the Russian Government and its adjacent water area, the entire military command of the land and naval forces and equally the supreme civil administration will be entirely given over to the Russian authorities and will be concentrated in the hands of one person who however shall not have the title of Governor or Governor-General. No Chinese military land forces whatsoever will be allowed on the territory specified. Chinese inhabitants retain the right, as they may desire, either to remove beyond the limits of the territory leased by Russia or to remain within such limits without restriction on the part of the Russian authorities. In the event of a Chinese subject committing any crime within the limits of the leased territory, the offender will be handed over to the nearest Chinese authorities for trial and punishment in accordance with Chinese laws, as laid down in Article VIII of the Treaty of Peking of 1860.

Art. V.—A neutral zone shall be established north of the above-specified frontier of the leased territory. The frontiers of this zone will be fixed by the dignitary Siou-tzin-ch'eng and the Ministry of Foreign Affairs in St. Petersburg. Within this specified neutral zone the civil administration will be entirely in the hands of the Chinese authorities; Chinese troops will be admitted within this zone only with the consent of the Russian authorities.

Art. VI.—Both the Governments agree that Port Arthur, as an exclusively military (naval) port, shall be used solely by Russian and Chinese vessels and shall be considered as a closed port to war-ships and merchant vessels of other States. As regards Ta-lien-wan, this port, with the exception of one of the inner bays which, like Port Arthur, shall be set apart exclusively for the use of the Russian and Chinese fleets, shall be considered open to foreign commerce and free entry to it will be granted to the merchant vessels of all nations.

Art. VII.—The Russian Government takes upon itself at its own expense and with its own resources to erect all buildings necessary for its fleet and land forces on the area leased to it and especially in the ports Arthur and Ta-lien-wan, to erect fortifications, maintain garrisons in them and generally to take all necessary steps for the proper defence of the specified locality from hostile attack. Similarly the Russian Government binds itself at its own expense to erect and maintain light-houses and other precautionary signs requisite for the security of navigation.

Art. VIII.—The Chinese Government agrees that the concessions granted by it in 1896 to the Chinese Eastern Railway Company, from the date of the signature of the present agreement shall be extended to the connecting branch which is to be built from one of the stations of the main line to Ta-lien-wan, and also, if deemed necessary, from the same main line to another more convenient point on the littoral of the Liaotung Peninsula between the town of In-tzü and the estuary of the River Yalu. All the stipulations of the contract concluded by the Chinese Government with the Russo-Chinese Bank on August 27 (September 8), 1896, shall apply scrupulously to these supplementary branches. The direction and points through which the above-mentioned lines shall pass will be determined upon by the dignitary Siou-tzin-ch'eng and the administration of the Chinese Eastern Railway. Consent to the construction of the railway on the

basis indicated shall never under any form serve as a pretext for the seizure of Chinese territory or for an encroachment on the sovereign rights of China.

Art. IX.—The present Convention shall come into force from the date of exchange of copies thereof by the Plenipotentiaries of the two States.

The exchange of ratifications will take place in St. Petersburg with the least possible delay.

In virtue of which the respective Plenipotentiaries of the two parties have signed and affixed their seals to two copies of the present Convention in the Russian and Chinese languages. Of the two texts which, upon comparison, have been found to be in agreement, the Russian text shall be that used for the interpretation of the Convention.

Done in duplicate at Peking, this 15th day of March (March 27), 1898, and by the Chinese calendar the 6th day of the 3rd moon of the 24th year of the reign of Kuang-Hsü.

(Seal) (*Signed*) A. PAVLOW
(Seal) (*Signed*) LI-CHANG
(Seal of the Tsung-li-yamen)

Note.

In connection with this convention see the Additional Convention defining the boundaries of the leased and neutralized territory in the Liaotung Peninsula, May 7, 1898 (No. 1898/9, *post*); see also the Convention for the Retrocession of the Fêngtien (Liaotung) Peninsula by Japan to China, November 8, 1895 (No. 1895/10, *ante*); Treaty of peace between Russia and Japan, September 5, 1905 (No. 1905/8, *post*); Treaty and additional agreement between Japan and China concerning Manchuria, December 22, 1905 (No. 1905/18, *post*); and the Exchange of notes between Japan and China, in regard to the extension of the term of lease, accompanying the treaty of May 25, 1915, concerning Manchuria (No. 1915/8, *post*).

Rockhill, p. 370, prints the following translation of an imperial order of July 30/August 11, 1899, for the building of Dalny and creating it a free port:

Russian Imperial Order regarding Establishment of Dalny as a Free Port.—August 11, 1899.

"TO THE MINISTER OF FINANCE.—Our Empire, comprising as it does immense territories in Europe and Asia, is called upon by Divine Providence to contribute to the pacific intercourse of the peoples of the East and the West. For the attainment of this historic object we have received the friendly assistance of the Chinese Empire, which has ceded to us the use of the Harbour of Talienwan and Port Arthur, with the adjacent territory, and has furnished for the Great Siberian Railway an outlet through its possessions to the Yellow Sea. Thanks to this wise decision of the Government of His Majesty the Emperor of China, the extreme limits of two continents of the Old World will very shortly be connected by an uninterrupted line of rails, which will secure for all nations the incalculable advantages of easy communication, and bring new regions within the operations of the commerce of the world.

"In our increasing solicitude for a scheme of such general utility as this, we have directed our attention to the first-rate importance which, when once the line is constructed, its terminus, the port of Talienwan, will acquire. Having declared after its occupation that this port was open to the commercial fleets of all nations, we deem it advisable now to proceed to the construction near this port of a town, to which we give the name of 'Dalny.'

"At the same time, with a view to the commercial development of the future town, we grant to the same for the entire period for which its territory is handed over to Russia by China, under the arrangement of the 15th (27th) March, 1898, the right of free trade granted to free ports on the following conditions:—

"1. The importation and exportation of goods of every kind are allowed free of

customs dues in the town, port, and adjacent territory, within the limits determined by and liable to modification by the Minister of Finance.

"2. The right of free trade thus granted does not affect transport, anchorage, and other dues of various kinds, levied at ports.

"3. The Quarantine Regulations, issued with a view to preventing the introduction of infectious diseases, must be strictly observed by all ships entering the port.

"4. Goods imported into Russia which come from the territory enjoying the right of free trade will be examined, will pay import duty, and will enter the Empire under the general conditions in force for the importation of foreign goods.

"Invoking the blessing of the Lord upon this truly pacific work of the future, we intrust to your care the superintendence of the construction of the town and port.

NICHOLAS."

The following is a translation of an imperial order of July 30/August 12, 1903, creating the Imperial Lieutenancy of the Far East:

Russian Imperial Order regarding Imperial Lieutenancy of the Far East.— August 12, 1903.

"The complicated problems of administration in the provinces bordering the eastern frontier of the Empire induce us to be solicitous for the institution of the authority over those provinces.

"In order to assure the pacific satisfaction of the urgent local requirements by the exercise of that authority and recognizing the necessity of forming a Special Lieutenancy to include all the Provinces now under the rule of the Governor General of Pri-Amur and the Kuantung Province it is decreed as follows:

"1. The Imperial Lieutenant of the Far East is invested with the supreme (or high) power in respect of civil administration over those provinces and is independent of different ministries. He is also given the supreme authority regarding the maintenance of order and security in the localities appropriated for the benefit of the Chinese Eastern Railway. Due care and protection in regard to the interests and wants of Russian subjects in the neighboring territories outside of the border of the Imperial Lieutenancy are also confided to him.

"2. Until the law of administration of the Imperial Lieutenancy of the Far East shall have been promulgated, the authority, rights and obligations of the Imperial Lieutenant in relation to both central and local authorities shall be defined in accordance with the principle of the Imperial Decree of January 30, 1845, which was promulgated at the time of the establishment of the Lieutenancy of the Caucasus. All administrative offices and all officials under the Imperial Lieutenant are not allowed to communicate with different ministries and departments concerned except through the Imperial Lieutenant.

"3. All diplomatic relations with neighboring powers in regard to affairs arising in those provinces of the Far East shall be concentrated in the hands of the Imperial Lieutenant.

"4. The command of the naval forces in the Pacific and of all military forces stationed in the territories assigned to him is given to the Imperial Lieutenant.

"5. In order that the action of the chief authority of the Far East shall conform with the general policy of the Empire and the activities of the Ministers a special committee under Our Presidency shall be instituted. Those who assembled and participate in the committee have Our confidence

"6. General Adjutant Alexieff who is appointed as the Imperial Lieutenant of the Far East is charged with the development of this Imperial Decree and the drafting of the law of administration of those provinces of the Far East together with its enforcement regulations. The Senate will not fail to take due measures when the project shall have been submitted to Us for Our Sanction.

"Given at Peterhof under Our own signature, July 30/August 12, 1903.

NICHOLAS."

NUMBER 1898/6.

FRANCE AND CHINA.

Declaration concerning the non-alienation of Chinese territory bordering on Tongking.—April 10, 1898.*

THE CHARGÉ D'AFFAIRES OF THE FRENCH REPUBLIC TO THE TSUNG-LI YAMÊN.

PEKING, *4th April, 1898.*

With the purpose of assuring the relations of neighbourliness and friendship between China and France; with the purpose, equally, of seeing the territorial integrity of the Chinese Empire maintained and, further, because of the necessity of taking care that no change be introduced in the existing situation as regards the provinces bordering on Tongking (*par suite de la necessité de veiller à ce que dans les provinces limitrophes du Tonkin, il ne soit apporté aucune modification a l'état de fait et de droit existant*), the Government of the Republic would attach particular value to receiving from the Chinese Government an assurance that it will not cede to any other Power all or a part of the territory of those provinces, either definitely or temporarily, or on lease, or by any title whatsoever.

I shall be obliged if your Highnesses and your Excellencies will, in acknowledging this letter, be good enough to respond by an official despatch to the desire of the Government of the Republic.

(*Signed*) DUBAIL.

THE TSUNG-LI YAMÊN TO M. DUBAIL, CHARGÉ D'AFFAIRES OF THE FRENCH REPUBLIC, PEKING.

PEKING, *10th April, 1898.*

On the 4th April, 1898, we received from your Excellency the following despatch:

[Letter quoted as above.]

Our Yamên considers that the Chinese provinces bordering on Tongking, being important frontier points which interest her in the highest degree, must always be administered by China and remain under her sovereignty. There is no reason that they should be ceded or leased to any Power.

As the French Government attaches a particular value to receiving this

* Translations, as given in *Rockhill*, p. 178, from the French versions as printed in *Doc. Dipl., Chine*, 1894-98, p. 49. Printed also, in French versions, in *Hertslet*, p. 1153; *Recueil*, p. 340.

In connection with this declaration see also the similar Declaration concerning Hai-nan, March 15, 1897 (No. 1897/2, *ante*), and other declarations there cited in the footnote.

assurance, we feel called on to address this official reply to your Excellency, begging you to take note of and forward it.

NUMBER 1898/7.

FRANCE AND CHINA.

Agreement in regard to a concession to build a railway from Tongking to Yunnan, the lease of Kuang-chou-wan, and the organization of the Chinese postal service.—April 10, 1898.*

M. Dubail, Chargé d'Affaires of the French Republic to the Tsung-li Yamên.

Peking, *9th April, 1898.*

In pursuance of our interviews, and in execution of the formal instructions of the Government of the Republic, which has furnished me with special powers, I have the honour to ask your Highnesses and your Excellencies to acquiesce in the following terms designed to draw closer the bonds of friendship and neighbourliness which unite the Chinese Empire to the French Republic:—

1st. The Chinese Government grant to the French Government, or to the French Company, which the latter may designate, the right to make a railway from the frontier of Tongking to Yün-nan-fu; the Chinese Government having no other responsibility (*charge*) but to furnish land for the road and its dependencies. The route (*tracé*) of this line is actually surveyed (*étudié*), and will be fixed later on in agreement with the two Governments. Regulations will be jointly made.

2nd. The Chinese Government, in consideration of its friendship for France, leases the bay of Kuang-chou-wan, for 99 years, to the French Government, which may establish a naval station and coal depôt there. The boundaries of the Concession will be fixed hereafter by agreement between the two Governments, after examination on the spot. The question of rental will be arranged later on.

3rd. When the Chinese Government organizes a definite Postal Service and places a high functionary at its head, it proposes to call for the help of foreign officers, and declares itself willing to take account of the recommendations of the French Government in respect to the selection of the Staff.†

* Translations as given in *Rockhill*, p. 250, from French versions printed in *Doc. Dipl., Chine*, 1894-1898, p. 50. Printed also, in French versions, in *Hertslet*, p. 327; *Recueil*, p. 342. See Note to this document, *post*, p. 125.

† In an article in the *London Times* of May 30, 1911, on the transfer of the Chinese post-office to the Central Government, the Peking correspondent stated that "This engagement was made more explicit by an Exchange of Notes in October, 1902, between Prince Ch'ing, President of the Wai-wu Pu, and Mr. Casenave, Chargé d'Affaires of the French Legation."

I beg your Highnesses and your Excellencies to be good enough to acknowledge receipt of this despatch by an identical letter which will constitute the agreement of our two Governments. The two documents will serve as a Convention.

G. DUBAIL.

THE TSUNG-LI YAMÊN TO M. DUBAIL, &c.

(PEKING,) *10th April, 1898.*

On the 9th April, 1898, we received from Your Excellency the following despatch:

[Despatch quoted as above.]

As it is said in the dispatch which you addressed to our Yamên that these three requests are destined to draw closer the bonds of friendship which unite us, we are able to acquiesce in them. China and France ought to strengthen the good relations which exist between them, and avert forever any cause of conflict.

It is our duty to address this answer to Your Excellency, in order that you may transmit it to your Government.

[*Signatures of the President and Members of the Tsung-li Yamên.*]

Note.

In connection with this agreement see the Convention for the lease of Kuang-chou-wan, May 27, 1898 (No. 1898/10, *post*); see also the contract for the Yunnan Railway, October 29, 1903 (No. 1903/6, *post*). Consult also the memorandum on railway and mining concessions secured by France and French companies in China, *Doc. Dipl., Chine,* 1894-1898, p. 23, of which a translation is printed in *Rockhill,* p. 402.

In *Rockhill,* p. 280, is given the following translation (from *Doc. Dipl., Chine,* 1894-1898, p. 53) of an exchange of telegrams in regard to a concession for building a railway from Pakhoi to the West River:

"M. HANOTAUX TO M. PICHON.

"(PARIS,) *2 May, 1898.*

"The recent reports of our Consular Agents show the interest we have in developing means of access (*voies de pénétration*) in the region of Kwangtung and Kwangsi which borders the Gulf of Tongking. Be good enough to ask the Chinese Government for the concession, to a French Company, of a railway destined to connect the port of Pakhoi with a point to be fixed upon on the course of the West River: such concession to be made on the lines of the contract entered into in June 1896, for a railway from Dongdang to Lungchow.

"M. PICHON TO M. HANOTAUX.

"(PEKING,) *28 May, 1898.*

"The Chinese Government consents to our request for a railway from Pakhoi to the West River. It is understood that the French, or the Franco-Chinese Company only, may construct all railways having Pakhoi as their starting point."

NUMBER 1898/8.

JAPAN AND CHINA.

Declaration concerning the non-alienation of the Province of Fukien.—April 26, 1898.*

THE TSUNG-LI YAMÊN TO THE JAPANESE MINISTER AT PEKING.

PEKING, *April 26, 1898.*

Prince Ch'ing and the Ministers of the Tsung-li Yamên have the honour to reply to a communication from the Minister of Japan dated 2nd day, 3rd intercalary month, 24th year Kuang-Hsü (April 22, 1898), which reads as follows:—

"A telegram has just been received from the Minister of Foreign Affairs, which reads as follows:—

"'The Government of Japan has viewed with constant deep concern the difficulties with which the Government of China has recently been confronted. The declaration made at the time of the evacuation of Weihaiwei is evidence of this. It is to be apprehended that trouble may arise with consequences disastrous to China. In all this there is no mistaking what our real purpose is.

"'In view of the present state of affairs, the Government of Japan, mindful of its own interests, cannot act as if entirely in ignorance of passing events, but must take proper measures to meet any situation that may arise. You will ask the Government of China to make a declaration that it will not cede or lease to any other Power any portion of its territory within the Province of Fu-kien.'"

Referring to his oral statements made in a personal interview, the Minister of Japan requests that a reply be given to his communication.

The Princes and the Ministers have the honour to state that the Province of Fu-kien, with all the territory in the interior and along the sea-coast within its limits, which is an important part of China, China will never cede or lease to any other Power whatsoever; and to request that this reply be communicated to the Government of Japan.

The Princes and the Ministers avail themselves of this opportunity to renew to the Minister of Japan the assurances of their most distinguished consideration.

* Translation from Chinese text (?) as printed in *Rockhill*, p. 181. Printed also in *Hertslet*, p. 1154.

In connection with this declaration see other non-alienation declarations, cited in the footnote to that concerning Hai-nan, March 15, 1897 (1897/2, *ante*); see also the exchange of notes between Japan and China respecting naval bases, etc., on the coast of Fukien, May 25, 1915 (No. 1915/8, *post*).

NUMBER 1898/9.

RUSSIA AND CHINA.

Additional agreement defining the boundaries of the leased and neutralized territory in the Liaotung Peninsula.—May 7, 1898.*

The Governments of Russia and China being desirous of adding some stipulations to the Treaty concluded at Peking on the 15/27th March, 1898,† the Plenipotentiaries of both Governments have agreed upon the following:—

Article I.—In accordance with Article II of the original Treaty the northern territory leased and yielded to Russia—Port Arthur, Talienwan, and the Liaotung Peninsula—shall commence from the north side of Ya Tang Bay on the west coast of Liaotung and shall pass through the ridge of Ya-tang Mountain (the mountain ridge being included in the leased ground) to the east coast of Liaotung near the north side of the P'i-tzû-wo Bay. Russia shall be allowed the use of all the waters adjacent to the leased territory and all the islands around it.

Both countries shall appoint special officers to survey the ground and determine the limits of the leased territory.

Article II.—To the north of the boundary fixed in Art. I, there shall, in accordance with Art. V of the Peking Treaty, be a neutral ground, the northern boundary of which shall commence on the west coast of Liaotung at the mouth of the Kai-chou River, shall pass north of Yu-yen-cheng to the Ta-yang River, and shall follow the left bank of the river to its mouth, this river also to be included in the neutral territory.

Article III.—The Russian Government consents that the terminus of the branch line connecting the Siberian Railway with the Liaotung Peninsula shall be at Port Arthur and Talienwan, and at no other port in the said peninsula.

It is further agreed in common that railway privileges in districts traversed by this branch line shall not be given to the subjects of other Powers. As regards the railway which China shall [may] herself build hereafter from Shan-hai-kuan in extension to a point as near as [*lit.*, nearest to] possible to this branch line, Russia agrees that she has nothing to do with it.

Article IV.—The Russian Government assents to the request of the Chinese Government that the Administration and police of the City of Kinchow shall be Chinese. Chinese troops will be withdrawn from Kinchow and replaced by Russian troops. The inhabitants of the city have the power to use the roads from Kinchow to the north boundary of the leased territory, and the waters

* Translation from the Chinese text as printed in *Customs*, Vol. II, p. 227. Printed also in translations from unofficial versions in *China* (*1899*), No. 1, p. 188; *Rockhill*, p. 53; *Am. Int. Law Journal, Supplement*, 1910, p. 291; *F. E. Review*, vol. 11, p. 395; *Hertslet*, p. 508.

In connection with this agreement see the Convention for the lease, March 27, 1898 (No. 1898/5, *ante*); also the Agreement for the southern Manchurian branch of the Chinese Eastern Railway, July 6, 1898 (No. 1898/15, *post*).

† No. 1898/5, *ante*.

usually required near the city, the use of which has been granted to Russia; but they have no power to use the sea-coast (round about).

Article V.—The Chinese Government agrees [*lit.*, agrees to recognize]:

1. That without Russia's consent no concession will be made in the neutral ground for the use of subjects of other Powers.

2. That the ports on the sea-coast east and west of the neutral ground shall not be opened to the trade of other Powers.

3. And that without Russia's consent no road and mining concessions, industrial and mercantile privileges shall be granted in the neutral territory.

Article VI.—The Articles agreed to above will be drawn up, one copy in Chinese and one in Russian, and signed by the plenipotentiaries of the two countries.

For purposes of interpretation, the Russian will be the authoritative text.

Kuang-hsü, 24th year, 3rd intercalary month, 17th day: Russian Calendar, April 25, 1898 (May 7th, 1898).

NUMBER 1898/10.

FRANCE AND CHINA.

Convention for the lease of Kuang-chou Wan.—May 27, 1898.†*

Article I.—**Purpose of lease.**—The Chinese Government, in consideration of its friendship for France, has given by a lease for 99 years Kuang-chou Wan to the French Government to establish there a naval station with coaling depot, but it is understood that this shall not offset the sovereign rights of China over the territory ceded.

Article II.—**Extent of territory leased.**—The leased territory shall include the waters and ground necessary for the security, the provisioning and the normal development of the naval station and of the coaling depot, that is to say:

(*a*) The island of Tong-hai;

(*b*) The island of Nao-chou;

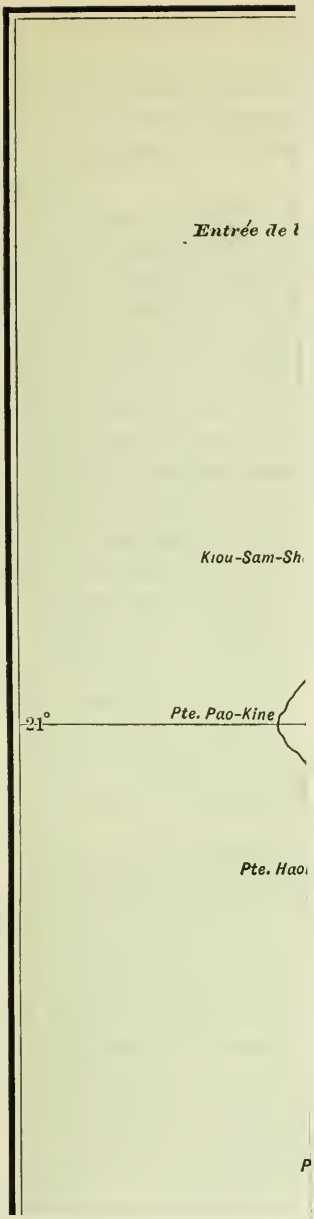
(*c*) At Lei-chou, a strip of land connecting a point of the coast south of Kiu-man-sien (Tiao-man) and situated in 20° 50′ north latitude, with She-men in 21° 25′ north latitude along a strip roughly indicated on the annexed map.

(*d*) At Kao-chou, a strip of land comprised between 21° 25′ north latitude and 21° 04′ north latitude, along a strip roughly indicated on the annexed map.

* Translation, as given in *Rockhill*, p. 55, from the French text as reprinted in *Doc. Dipl., Chine*, 1898-1899, p. 2. Printed, also, in French text, in *Customs*, Vol. I, p. 946; *Hertslet*, p. 329; in translation, in *Am. Int. Law Journal, Supplement*, 1910, p. 293.

In connection with this convention see also the Agreement in regard to a railway from Tongking to Yunnan, etc., April 10, 1898 (No. 1898/7, *ante*.)

† The date given is that of the submission of the convention to the Tsung-li Yamen for approval; the convention was ratified by China on February 19, 1900.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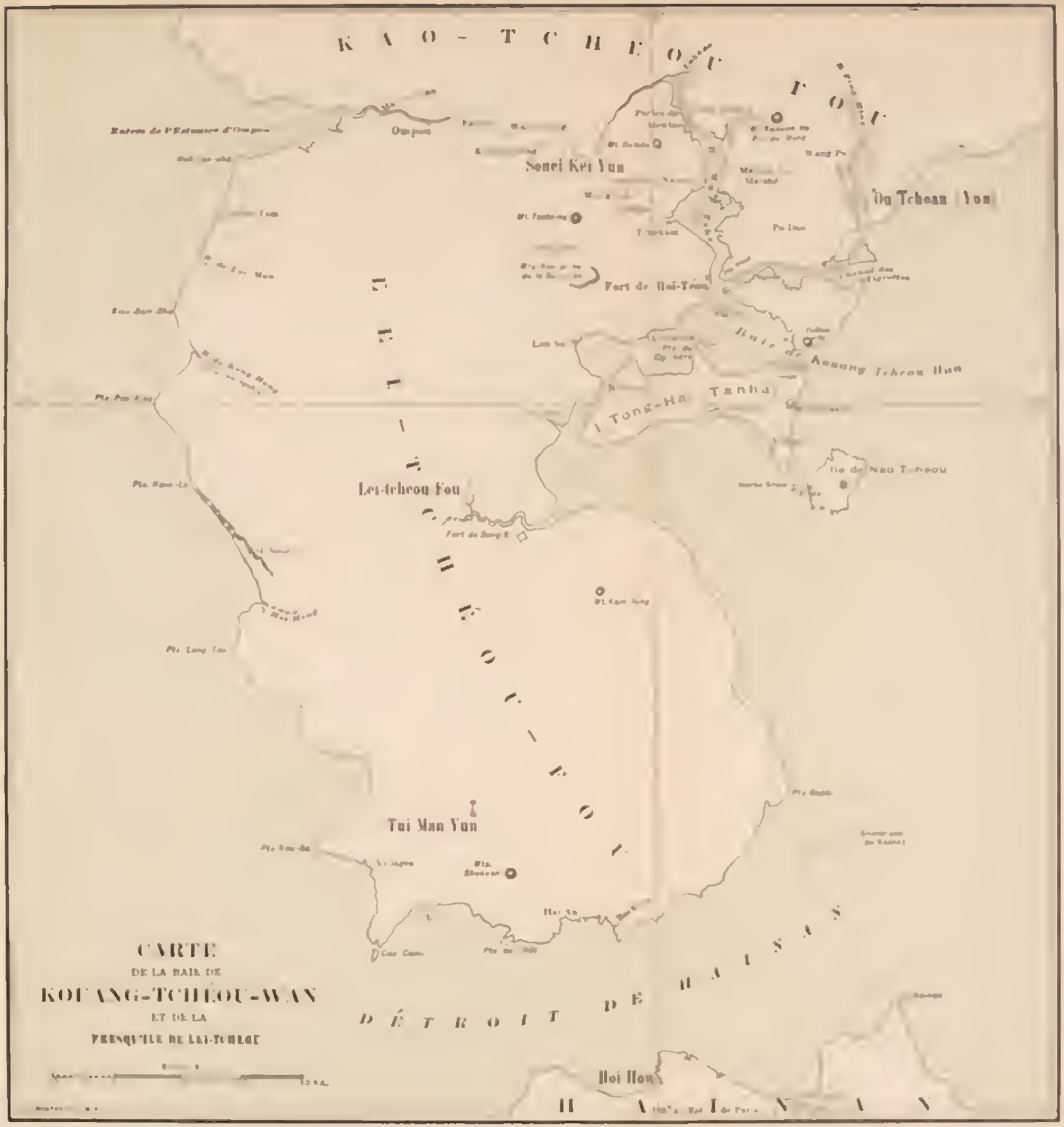
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Fort de Hoi-Teou
Baie de Kouang Tcheou Hou
Tong-Ha Tanha
Ile de Nao Tcheou
Lei-tcheou Fou
Tui Man Yun
DÉTROIT DE HAINAN
Hoi Hou
HAINAN
CARTE
DE LA BAIE DE
KOUANG-TCHÉOU-WAN
ET DE LA
PRESQU'ILE DE LEI-TCHEOU

(*e*) The small islands situated inside of Kuang-chou Wan, as well as the interior and exterior waters of the bay, and the exterior waters of Nao-chou and of Tong-hai, within the limits recognized in international law (six marine miles).

The exact limits on the continent of Lei-chou and of Kao-chou shall be fixed, after the signing of the present convention, when special surveys shall have been made by officials designated by the two Governments. Said officials shall begin their work without delay, so that all possible misunderstanding between the two countries shall be obviated.

ARTICLE III.—**Administration.**—The territory shall be governed and administered during the 99 years of the lease by France alone, so that all possible misunderstanding between the two countries shall be obviated.

Rights of native inhabitants.—The inhabitants shall continue to enjoy their property; they may continue to inhabit the leased territory and pursue their labors and occupations, under the protection of France, so long as they respect its laws and regulations. France shall pay an equitable price to the native property owners for the land which it may wish to acquire.

ARTICLE IV.—**Right to garrison and to insure navigation.**—France may erect fortifications, place garrisons of troops or take any other defensive measure on the leased land.

She may erect lighthouses, set buoys and signals useful for navigation on the leased territory, along the islands and coasts, and in a general way, take all measures and adopt all plans to insure the freedom and safety of navigation.

ARTICLE V.—**Rights of treaty power vessels in leased territory.**—Steamers of China as well as the ships of the Powers having diplomatic and commercial relations with her, shall be treated within the leased territory in the same manner as in the opened part of China.

Light-house and tonnage dues.—France may issue all regulations she may wish for the administration of the territory and of the ports and particularly levy lighthouse and tonnage dues destined to cover the expense of erecting and keeping up lights, beacons and signals, but such regulations and dues shall be impartially used for ships of all nationalities.

ARTICLE VI.—**Extradition.**—If cases of extradition should occur, they shall be dealt with according to the provisions of existing conventions between France and China, particularly those regulating the neighboring relations between China and Tongking.

ARTICLE VII.—**Railway to be built.**—The Chinese Government authorizes France to construct a railway connecting a point on the bay of Kuang-chou Wan, by Lei-chou, with a point to be designated on the west coast of Lei-chou, in the neighborhood of On-pu. This latter point shall be precisely designated later on.

China will give the land, but the expenses of building and working shall be borne by France. Chinese shall have the right to travel and trade on the railway, in accordance with the general tariff in force.

The mandarins must see to the protection of the railway and the stock, but the repairs and maintenance of said road and its stock shall be at the expense of France.

ARTICLE VIII.—**Improvements at On-pu.**—France may also, at the end of the line about On-pu, build landing stages, wharves, storehouses and hospitals, put up lights, buoys and signals. The nearest deep water anchorage to this terminus (territorial waters) shall be exclusively reserved for French and Chinese ships of war, those of the latter nationality only when neutral.

The present convention shall come into force at once. It shall be ratified at once by the Emperor of China, and when it shall have been ratified by the President of the French Republic, the exchange of ratifications shall take place at ——— within the briefest delay.

Done at Peking in eight copies, of which four are in the French language and four in Chinese, the ———, 1898.

NUMBER 1898/11.

GREAT BRITAIN AND CHINA.

Convention respecting an extension of the Hongkong territory.—June 9, 1898.*

Whereas it has for many years past been recognized that an extension of Hong Kong territory is necessary for the proper defence and protection of the Colony,

Territory leased.– It has now been agreed between the Governments of Great Britain and China that the limits of British territory shall be enlarged under lease to the extent indicated generally on the annexed map. The exact boundaries shall be hereafter fixed when proper surveys have been made by officials appointed by the two Governments. The term of this lease shall be ninety-nine years.

Jurisdiction in leased territory.—It is at the same time agreed that within the city of Kowloon the Chinese officials now stationed there shall continue to exercise jurisdiction except so far as may be inconsistent with the military requirements for the defence of Hong Kong. Within the remainder of the newly-leased territory Great Britain shall have sole jurisdiction. Chinese officials and people shall be allowed as heretofore to use the road from Kowloon to Hsinan.

Rights of Chinese ships.—It is further agreed that the existing landing-place near Kowloon city shall be reserved for the convenience of Chinese men-of-war, merchant and passenger vessels, which may come and go and lie there at their pleasure; and for the convenience of movement of the officials and people within the city.

* Text as reprinted in *Rockhill*, p. 58, from *British Treaty Series*, 1898, No. 16. Printed also in *Customs*, Vol. I, p. 539; *Hertslet*, p. 120; *Am. Int. Law Journal, Supplement*, 1910, p. 295.

For the original concession of the Hongkong territory, see Article 6 of the Anglo-Chinese Convention of peace and friendship, October 24, 1860 (*Hertslet*, p. 48).

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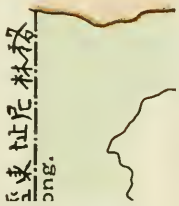

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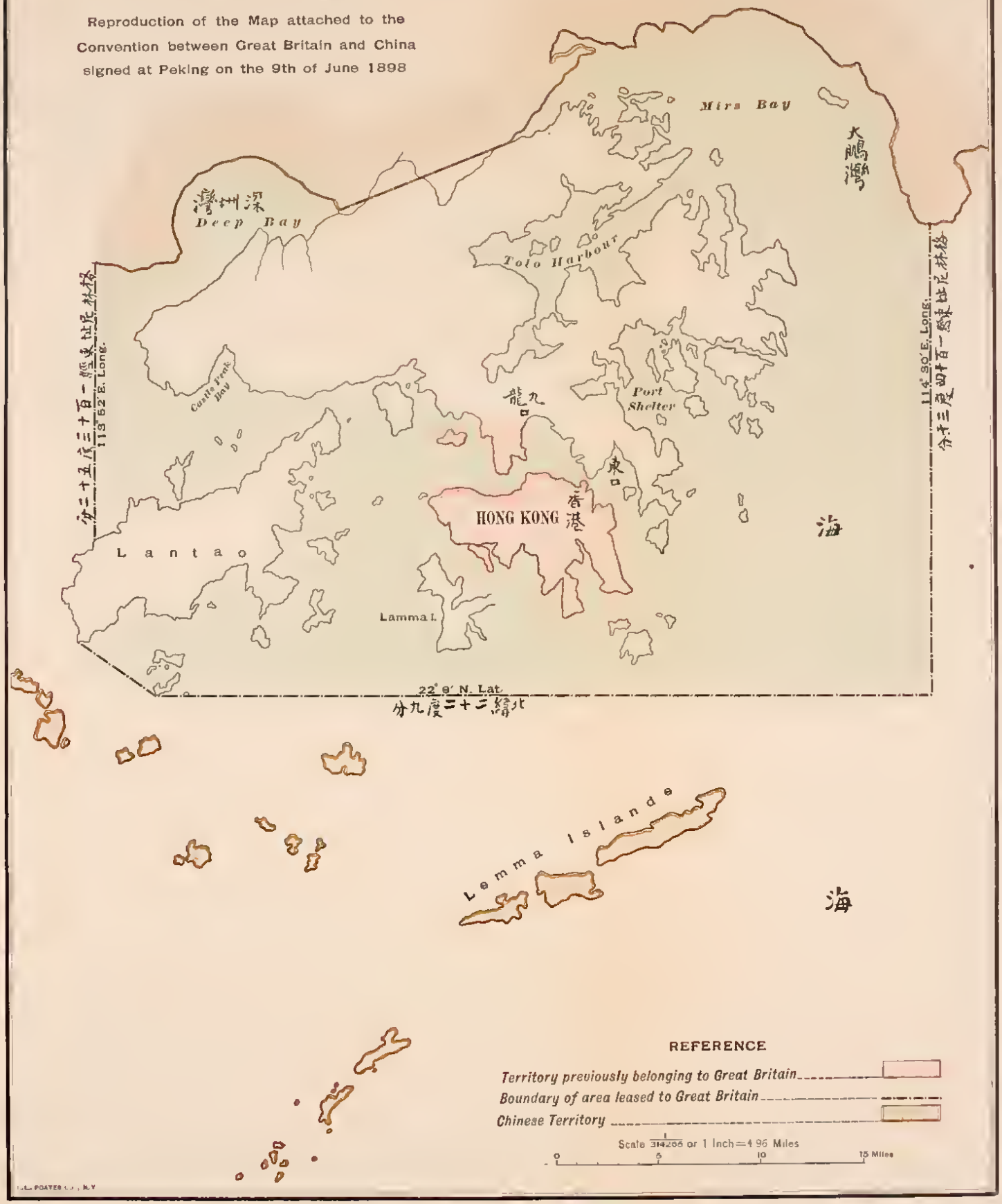
HONG KONG EXTENSION

Reproduction of the Map attached to the Convention between Great Britain and China signed at Peking on the 9th of June 1898



Railway.—When hereafter China constructs a railway to the boundary of the Kowloon territory under British control, arrangements shall be discussed.†

Expropriation of natives.—It is further understood that there will be no expropriation or expulsion of the inhabitants of the district included within the extension, and that if land is required for public offices, fortifications, or the like official purposes, it shall be bought at a fair price.

Extradition.—If cases of extradition of criminals occur, they shall be dealt with in accordance with the existing Treaties between Great Britain and China and the Hong Kong Regulations.‡

Chinese war ships.—The area leased to Great Britain as shown on the annexed map, includes the waters of Mirs Bay and Deep Bay, but it is agreed that Chinese vessels of war, whether neutral or otherwise, shall retain the right to use those waters.

This Convention shall come into force on the first day of July, eighteen hundred and ninety-eight, being the thirteenth day of the fifth moon of the twenty-fourth year of Kuang Hsü. It shall be ratified by the Sovereigns of the two countries, and the ratifications shall be exchanged in London as soon as possible.§

In witness whereof the Undersigned, duly authorized thereto by their respective Governments, have signed the present Agreement.

Done at Peking in quadruplicate (four copies in English and four in Chinese) the ninth day of June, in the year of our Lord eighteen hundred and ninety-eight, being the twenty-first day of the fourth moon of the twenty-fourth year of Kuang Hsü.

[L. S.] CLAUDE M. MACDONALD,
[L. S.] (Seal of the Chinese Plenipotentiary.)

NUMBER 1898/12.

GREAT BRITAIN (The Pekin Syndicate, Ltd.) AND CHINA (The Yü-Feng Company).

Regulations for mining purposes, iron works, and transporting mine products of all kinds in the Province of Honan.||*—June 21, 1898.*

1.—The Governor of Honan having sanctioned the request of the Yü-Feng Company for the sole right to work all mines around Huai Ching Fu, and in all the hill country in Honan Province north of the Yellow River, the several

† See the Canton-Kowloon Railway agreement of March 7, 1907 (No. 1907/2,*post*).
‡ *Hertslet* cites the treaty of June 26, 1858, and the Hongkong ordinances of 1889 and 1897 (*Hertslet,* pp. 18, 1130, 1149).
§ Ratifications exchanged at London, August 6, 1898.
|| Text as reprinted in *Rockhill,* p. 320, from *China,* 1899, No. 1, p. 191.
In connection with these regulations see the memorandum of agreement with the civil governor of Honan and the Chung Yuan Company, November 9, 1914, printed on

concessions granted are now transferred for operation to the Pekin Syndicate for the period of sixty years. Mining engineers shall first be sent to find in what township and hills the mines are situated and what they produce, and make maps thereof with explanations inserted, which shall be submitted to the Governor of Honan that he may see that the proposed works are not injurious to the place; and he shall report thereon to the Tsung-li Yamên for record, and at the same time issue a permit for the mines to be opened without the least delay. If mining lands belong to the people, the lease or purchase shall be made by arrangement with the owners for a reasonable price; if it be Government land the tax to be paid on it shall be double the ordinary land tax for that locality.

2.—The Governor of Honan has authorized the Yü-Feng Company to negotiate a foreign loan not to exceed 10,000,000 taels. Should the mining engineers employed find this sum insufficient, the Yü-Feng Company may borrow more only of the Pekin Syndicate.

3.—All matters of administration, exploitation, employés and finances shall be controlled by the Board of Directors of the Pekin Syndicate, and the chief of the Yü-Feng Company shall co-operate. The Governor of Honan shall be requested to send officials from time to time to inspect the accounts of receipts and expenditures.

4.—Each mine must have one foreign and one Chinese Manager, the foreigner to control the works, the Chinese to attend to all matters between natives and foreigners. Accounts will be kept by the foreign system; receipts and payments of money to be controlled by the foreign Manager and audited by the Chinese Manager. At all mines Chinese should be employed as much as possible. All salaries to be paid by the Syndicate.

5.—When prospecting for mines if there be any boring or sinking of pits to examine mineral deposits an arrangement should first be made with the landowner to compensate him for any crops injured. If a mine be opened on private land an arrangement must be made with co-operation of the local officials to lease or buy the land for a reasonable price fair to both parties as a measure to justice. Wherever land leased or bought for mines contains cemetery or mortuary shrines some plan must be devised to avoid them—there must be no excavation. After mines are opened should there be damage to life or buildings from subsidence in the mines, the Syndicate shall make charitable compensation.

6.—Wherever mines are worked there shall be paid yearly to the Chinese Government as producer's tax ("lo-ti-shui") 5 per cent. on the cost of extracting the output of the mines. From the profits shown by the yearly accounts there shall first be paid 6 per cent. interest on the capital employed, and next 10 per cent. shall be set aside as a sinking fund for yearly repayment of capital and consequent reduction of interest payments to sinking fund ceasing when the

p. 1210, *post*, in Note to the final agreement with the same parties, May 7, 1915 (No. 1915/6).

In regard to the concessions of the Peking Syndicate in the Province of Shansi, see the agreement of May 21, 1898, attached to the Redemption Agreement of January 21, 1908 (No. 1908/2, *post*).

invested capital is wholly repaid; and from the remaining net profit 25 per cent. shall be paid to the Chinese Government, and the remainder shall go to the Syndicate for its own disposition. In future, wherever foreign capital is used to work coal and iron mines in China this rule for a 5 per cent. Government tax on the output shall be enforced, so that all may be treated alike. This capital being money lent by merchants for mining purposes, the Chinese Government will not in any way be responsible for losses incurred in the business.

7.—As the Syndicate will work mines in several places, the accounts and profits of each mine must be kept distinct from the others. The gains of one mine should not be made to off-set the losses of another, and so cause the Government income to suffer reduction.

8.—All machinery, materials, and supplies needed for the mines shall, on importation, be subject to the rules in force with the Kai-Ping and other mining Companies, and pay one full duty and a-half to the Maritime Customs, and shall be exempt from all inland *likin* taxes. The products of the mines, when exported from a sea-port, shall pay export duty according to the Customs Tariff.

9.—The Syndicate is to control the mines for sixty years, on expiration of which term all the mines of the Syndicate, whether new, or old, profitable or not, shall, with all plant, materials, buildings, lands, railways, bridges, and all property acquired by the capital of the mines, be handed over gratis to the Chinese Government, and in due time the Yü-Feng Company shall request the Governor of Honan to send deputies to take delivery.

10.—It is important that at each mine measures should be taken to prevent discord between officials and people. For this purpose, the Yü-Feng Company should request the Governor to appoint a deputy, and the Syndicate should nominate one of the gentry. The salaries of both to be paid by the Syndicate.

11.—On first opening the mines foreigners must of course be employed as mining engineers and foremen, but later on the Yü-Feng Company and the Syndicate should arrange to select for such positions any Chinese who may be proficient in mining, engineering, or managing work. For subordinate positions of little responsibility Chinese should be entirely employed, and Honan natives as much as possible, so as to encourage improvement.

12.—The miners employed should be chiefly Honan men, and should be paid fair wages. After the mines are open, the Yü-Feng Company and the Syndicate should select from European and American Mining Regulations suitable ones to apply to questions of compensation to miners for injuries while at work, to pensions for the aged after long service, the limit of daily working hours, &c., and obtain for such Regulations the approval of the Governor.

13.—In opening the mines the Syndicate shall establish a school of engineering and mining in some locality convenient to the mines, and there shall be selected twenty or thirty promising youths by the local officials and gentry to study in this school under foreign instructors, and thus prepare for future employment on railways and in mines. The expenses for this school to be met by the Syndicate.

14.—The 10,000,000 silver taels to be loaned to the Yü-Feng Company by the Pekin Syndicate is an estimated sum. After the capital necessary for open-

ing each mine has been supplied by the Syndicate, the Syndicate will be authorized to print share certificates and conditions for the capital furnished, and fix the time of sale. Chinese merchants who apply for shares within the fixed time shall be allowed to buy of shares for sale any number they wish.

15.—Chinese merchants who wish to buy shares may get them from the Yü-Feng Company, who will procure them at current market rates, or they may themselves buy or sell the shares at pleasure. If any Chinese gentry or merchant shall, within the term of sixty years, acquire three-fourths of all the shares of any one mine, that mine may then be redeemed from the Syndicate, and the Yü-Feng Company shall report upon same, and direct that shareholder to take charge of the mine.

16.—If, within the area authorized for opening mines, there be mines already worked by the people, such private mines shall not be appropriated, but if a proprietor be willing to lease or sell his mine, the Yü-Feng Company and the Syndicate shall offer a reasonable price for it, but no compulsion shall be used.

17.—Whenever it may be necessary for any mine to make roads, build bridges, open or deepen rivers or canals, or construct branch railways to connect with main lines, or with water navigation to facilitate transport of Honan coal, iron, and all other mine products from the province, the Syndicate, on reporting to the Governor of Honan, is authorized to proceed with the works, using its own capital, without asking for Government funds.

Regulations for the branch railways are to be made in due time.

Private land required for the works authorized as above, shall be leased or bought according to the rules already in force with other public Companies.

No encroachment of private property shall be allowed, and the local authorities must be applied to for protection.

18.—At the end of every year a printed account of profit and loss shall be rendered by each mine to the Yü-Feng Company, and each mine shall appoint one Chinese and one foreign auditor to examine the accounts and certify that they are correct; and a general account of profit and loss for all the mines shall be jointly prepared and submitted to the Governor, who will send copies to the Tsung-li Yamên and Board of Revenue for audit.

Payments due to the Government shall be reported at same time.

19.—These mines being under the sovereignty of China, should China ever be at war with another country the Syndicate will obey the orders of the Chinese Government prohibiting any aid to the enemy.

20.—These Regulations shall be made out both in Chinese and foreign text, each party to have a copy for reference.

Signed in Peking on the 21st day of June, 1898, being the 3rd day of the 5th month of the 24th year of the Emperor Kuang-Hsu.

(*Signed*) A. Luzzatti,
General Agent of the Pekin Syndicate (Limited).

[Seal of the Pekin Syndicate, Limited.]

(Signature of the Chief of the Yü-Feng Company.)

[Seal of the Tsung-li Yamên.]

NUMBER 1898/13.

BELGIUM (La Société d'Etudes des Chemins de Fer en Chine) AND CHINA.

Loan contract, and operating contract, for the Peking-Hankow Railway.—June 26, 1898.*

LOAN CONTRACT.

BETWEEN THE UNDERSIGNED:

1°. Their Excellencies the Viceroys of Chihli and of Hupeh, acting in virtue of full powers from the Imperial Chinese Government, duly authorized by decree of H. M. the Emperor of China, under date the 20 October 1896, of which communication has been officially made to the Representatives of Belgium at Peking, by despatch of the Tsung-li Yamên, under date of ———

2°. The Imperial Government of China, represented by H. E. Sheng Hsüan-huai; Director General of the Chinese Railway Company;

3°. The *Chinese Railway Company,* represented by H. E. Sheng Hsüan-huai, its Director General,

And the *Société d'Etudes des Chemins de fer en Chine,* represented by M. Eugène Hubert, engineer,

Has been agreed the following:

ARTICLE 1.—The Imperial Chinese Government has, in compliance with a decree dated the 20 October 1896, of which copy is annexed to the present contract, granted the concession of the line from Lu-kou-chiao (Peking) to Hankow (about 1,300 kilometers) to the Chinese Railway Company, which has assets amounting to thirteen million taels.

An edict of H. M. the Emperor of China has authorized Their Excellencies the Viceroys of Chihli and of Hupeh and H. E. Sheng Hsüan-huai, Director General of Chinese Railways, to contract, in the name and on account of the Imperial Chinese Government, a loan the product of which is destined exclusively to the building of the above mentioned line.

This edict, bearing date the 20 October 1896 and of which a copy is annexed to the present contract, is worded as follows:

"Edict of His Majesty the Emperor of China:

"In response to a request of Their Excellencies the Viceroys of Chihli and "of Hukwang, presented to His Majesty the Emperor of China, an Imperial "edict, bearing date of this day, authorizes the organizing of a Railway Com- "pany and grants it the concession of the line from Lu-kou-chiao (Peking) to "Hankow. His Majesty the Emperor authorizes the Railway Company to con- "tract abroad a loan the product of which shall be devoted in full to the building "of said line.

"H. E. Sheng Hsüan-huai, under-secretary of State, is appointed Director "General of this new Company.

"Peking, the 20th October 1896."

* Translations from the French texts, as given in *Rockhill,* p. 232. French texts printed in *Wang,* pp. 41, 65. See Note to this document, *post,* p. 145.

In compliance with the terms of this edict, the Imperial Chinese Government, represented by Their Excellencies the Viceroys of Chihli and of Hupeh and the Director General of Chinese Railways, has decided to contract a State 5 p. c. foreign gold loan, of a nominal value of 112,500,000 francs (or 4,500,000 pounds sterling).

This loan shall be known as the *Chinese 5 p. c. 1898 Loan.*

ARTICLE 2.—This loan will be represented by 225,000 bonds of 500 francs gold.

These bonds, the text of which is annexed to the present Contract, shall be signed in the name of the Imperial Chinese Government by the Viceroys of Chihli and of Hupeh and by the Director General of the Chinese Railway Company.

They shall be issued in blocks of 1 to 5 bonds, in the proportion to be indicated by the Société d'Etudes des Chemins de fer en Chine and are to be manufactured at its expense.

They shall bear 5 p. c. interest annually on the par value payable in gold.

Interest shall accrue from the date of the payments and shall be payable the 1st September and the 1st March of each year.

The first coupon is payable in gold at —— francs.

ARTICLE 3.—The loan shall be extinguished in twenty years, from the year 1909, by yearly drawings by lot (*tirages au sort*), which will take place at Brussels, in the offices of the Société Générale pour favoriser l'Industrie Nationale, in conformity with the table annexed to the present.

The drawings shall take place the second Tuesday of January each year: the first drawing shall take place on that date in 1909.

The numbers of the bonds drawn shall be published in four newspapers at the expense of the Société d'Etudes des Chemins de fer en Chine.

ARTICLE 4.—The bonds drawn shall be refunded in gold at their par value on the date on which falls due the next coupon.

The bonds presented for reimbursement must have attached to them all the coupons remaining unpaid, and the amount of missing coupons will be deducted from the capital to be refunded.

Interest on bonds ceases to accrue from the date set for reimbursement.

ARTICLE 5.—The Imperial Chinese Government denies itself the right before the 1st September 1907 to increase the amortization, to pay off the whole loan or to make a conversion of it. After that date it shall be at liberty to pay off the loan at any time before the terms of payment, and once the refunding made, the contract shall be declared annulled.†

ARTICLE 6.—The coupons and the bonds (*titres*) redeemed (*amortis*) shall be payable in francs, in Europe in the office or offices designated by the Société d'Etudes and entrusted by it with the management of the loan.

ARTICLE 7.—Payment of interest and refunding of bonds of the present loan are guaranteed by the gross revenues of the Imperial Chinese Government.

Furthermore, in virtue of an authorization already granted by the Chinese Government and in agreement with it, the Chinese Railway Company declares

† See loan agreement of Oct. 8, 1908 (No. 1908/12, *post*), and the imperial edict of Oct. 8, 1908 (No. 1908/13, *post*). The Chinese Government took control of the Peking-Hankow Railway from January 1, 1909.

that it specially assigns, preferentially for the payment of interest and capital of the present loan, and consequently cedes and delegates in favor of said bonds all the net revenue of the line from Lu-kou-chiao (Peking) to Hankow,— after the regular payment of all expenses of administration and operation, the whole, as is furthermore set forth in a treaty for operating (the line) concluded between the Chinese Railway Company and the Société d'Etudes des Chemins de fer en Chine, treaty hereto annexed and forming an integral part of this contract.

This assignment (*affectation*) is made exclusively and irrevocably until complete refunding of the bonds of the present loan.

Article 8.—The Chinese Railway Company directs the Société d'Etudes to deposit the funds from the net revenue of the traffic with the Société Générale pour favoriser l'Industrie Nationale, established at Brussels, or with the company designated by it.

This latter shall convert into gold, and to the best interest of the Imperial Chinese Government and the Chinese Railway Company, and up to the full amount of the sum necessary to insure the service of the loan at the following semi-annual payment, the deposits made with it by the Société d'Etudes empowered by the Chinese Railway Company to make them.

These deposits by the Société d'Etudes with the Société Générale Belge or the company designated by it shall continue to be made until the sum necessary for the full service of the loan at the date of the next semi-annual payment has been completed in gold, and in such manner that said service is insured three months at least before said semi-annual payment falls due. The depositories shall utilize these sums in the manner the most advantageous for the Chinese Company.

The account on which these sums are borne shall be charged twenty days before date of semi-annual payment with the sum necessary for the service of the loan, interest, amortization, expenses and commissions.

Article 9.—The bank having received in deposit the funds shall have the right to take, without new authorization, from such funds on deposit, the amount of the coupons to be paid during the period of construction.

Article 10.—So as to insure the guarantee just mentioned for the bonds of the present contract, the Chinese Railway Company recognizes for these bonds a prior special lien on the railway from Lu-kou-chiao (Peking) to Hankow: line, stationary and rolling stock and receipts.

This special assignment is accepted in the name of the bondholders by the Société d'Etudes. In case of non-execution of the obligations assumed by the Chinese Railway Company in the present contract, the Société d'Etudes or the Belgian Company designated by it, shall have full power to enjoy as to said property all the rights and powers resulting from said special assignment.

Article 11.—The preceding provisions do not relieve the Imperial Chinese Government from personal responsibility relative to the present loan, as this responsibility is specified in Article 7.

Consequently, the Imperial Chinese Government agrees to make up the necessary amount for the service, in gold, of the loan, in case the sums accruing

from the net proceeds of the line from Lu-kou-chiao (Peking) to Hankow, and paid by the Société d'Etudes, entrusted with this service by the Chinese Railway Company, to the Société Générale Belge, or to the Company which it may designate, should not have reached, after their conversion in gold, and at least three months before the following semi-annual payment, the amount sufficient to cover said service.

In this case, and upon the request made it, the Imperial Chinese Government must hold at the disposal of the Société Générale Belge or of the Company designated by it 60 days before the next semi-annual payment, gold or securities deemed sufficient to realize the amount in gold, which the Company shall have notitfied the Government is necessary to complete the payment.

Article 12.—Out of the sums coming from the payments made by the Société d'Etudes or the payments made by the Imperial Chinese Government, the Société Générale Belge or the Company designated by it, shall in due time place at the disposal of the Firms entrusted with the service of the loan, the necessary amounts, according to the needs as ascertained during the preceding half-year.

Article 13.—The Imperial Chinese Government will pay to the Firms entrusted with the service of the loan a commission of ¼ per cent on the amount of paid coupons and a commission of ¼ per cent on the amount of the bonds drawn or redeemed by anticipated reimbursement. The amount of this allowance shall be deducted every six months from the surplus of the available exploitation receipts, and, in case of insufficiency, it shall be immediately paid by the Imperial Chinese Government.

Article 14.—The Imperial Chinese Government binds itself by the present conventions to observe and cause to be observed the privilege stipulated in favor of the bonds in Article 9, and to maintain, free and exempt from all tax whatsoever, the bonds and coupons, as well as all transactions of whatsoever nature connected with the service of the loan.

Article 15.—Coupons which shall not have been presented for cashing within five years following their falling due, shall revert to the Imperial Chinese Government; thirty years shall be the limit for redeemed bonds.

On the death of any bondholder of the present loan, the bonds shall be transferred and shall belong to his heirs, according to the inheritance laws in force in the country of which the deceased bondholder was citizen.

Payments of coupons and the redemption of bonds shall be made in time of war, as in time of peace, to the bearers whether they be subjects of friendly or hostile States.

In case of loss, of theft or destruction of bonds of the present loan, the Chinese Government shall replace them, after having been furnished satisfactory proof of their loss or of the destruction of the title deeds and of the rights of the claimants.

Article 16.—The Imperial Chinese Government through its representatives in Europe shall immediately take the necessary steps and furnish the necessary documents for the official listing of the present loan in the Bourses of Brussels and Paris.

ARTICLE 17.—Out of the total amount of the present loan, representing as nominal capital a sum of 112,500,000 francs, the Société d'Etudes des Chemins de fer en Chine purchases outright (*achète ferme*) 39,000,000 francs of nominal capital, or 78,000 bonds of 500 francs, at 90%, for the total sum of 35 million 100,000 francs, delivery to date from the payment to the banks designated in the following article.

ARTICLE 18.—The Société d'Etudes des Chemins de fer en Chine shall deposit the amount of this purchase, as follows: 8,600,000 francs in the Russo-Chinese Bank at Shanghai, and the remainder in a bank designated by common accord by the Director General of the Chinese Railway Company and the Société d'Etudes and against receipt by the Russo-Chinese Bank in Paris of definitive bonds for 78,000 bonds bought outright (*achetés ferme*) and deposit in the same bank of the definitive bonds for 147,000 bonds forming the surplus of the loan.

The Russo-Chinese Bank and the Bank designated by common accord by the Chinese Railway Company and the Société d'Etudes shall credit the Chinese Railway Company with the sums deposited with them, it being understood that these depository establishments shall not be obliged to deliver these sums, except under the conditions and under the reservations indicated in undermentioned Article 20.

The depository banks shall use these sums to the best advantage of the Chinese Railway Company.

ARTICLE 19.—The Chinese Railway Company declares that it has resources amounting to thirteen million taels.

The construction of the railroad from Lu-kou-chiao (Peking) to Hankow being limited provisionally to the section from Lu-kou-chiao (Peking) to Paoting (145 kilometers) and to the Hankow-Sinyang section (247 kilometers) which must be constructed first; it is understood that the thirteen million taels above mentioned shall in the first place be applied to the construction and to putting in complete working order of the Lu-kou-chiao-Paoting section.

The construction of the entire line (not including the Peking-Paoting section) shall be done under the direction of the Société d'Etudes des Chemins de fer en Chine or its representatives, but for the account of the Chinese Railway Company.

The Société d'Etudes shall make the studies, plans, surveys, estimates for the whole line, direct the execution of all the work and order the materials, machinery and furniture necessary to insure the regular operation of the line. However, the Director General of the Chinese Railway Company reserves to himself the right to approve the building plans and contracts for supplies.

Except for supplies of materials and expenses of all kinds paid in Europe, the Chinese Railway Company must place at the disposal of the Société d'Etudes the necessary sums for settling all payments without exception necessitated in the carrying out of the work, as well as the payment of the staff under the orders of the Société d'Etudes and, in general, all expenses whatsoever.

Consequently the Société (d'Etudes) shall not be obliged to pay any expenses from its own funds.

It shall endeavor to complete the construction of the line within three years.

ARTICLE 20.—On the Hankow-Sinyang section and eventually on the other sections between Paoting and Sinyang, the Russo-Chinese Bank in the first place and afterwards the bank designated by common accord by the Chinese Railway Company and the Société d'Etudes, shall deposit each month with the Chinese Railway Company, out of the available funds in their hands, the amounts necessary to settle the payments for the ensuing month, according to the estimates prepared by the Société d'Etudes or its delegates.

A first transfer equivalent to the estimated value of the work already executed on the Hankow-Sinyang section shall be made as a first credit.

The price paid for the above mentioned bonds being exclusively affected to the construction of the line from Hankow to Paoting, the Russo-Chinese Bank and the bank referred to in the first paragraph of the present article, would have the right not to pay the funds in case one of their payments were diverted from the purpose stipulated, as well as in case the representatives of the Société d'Etudes were not empowered by the Chinese Railway Company to continue the management of the construction works with which this company is exclusively entrusted.

The balance, if there be one, shall be held subject to the order of the Chinese Railway Company.

ARTICLE 21.—The Chinese Government cedes to the Société d'Etudes an option till December 31, 1901, to purchase the surplus of the loan, to wit: 73,500,000 francs at 90% nominal, plus the accrued fraction due on the coupon.

This option can be availed of one or several times, without regard to the amortizations made, but each notice must be for a sum not less than 25,000,000 francs net.

The delivery of the bonds taken on the options shall be to the Russo-Chinese Bank in Paris; the final bonds shall be delivered within a month dating from the telegraphic notification to the Management of the Chinese Railway Company.

The price of these bonds shall be deposited in the bank designated, by common accord, by the Chinese Railway Company and the Société d'Etudes, and it shall not surrender them except under the conditions stipulated in the above Article 20.

ARTICLE 22.—If the Société d'Etudes takes advantage of the right granted it to purchase all or part of the bonds on which it holds an option, it shall each time confer with the Chinese Railway Company to determine upon the sections (of line) to be built with its new funds.

ARTICLE 23.—The surveys of the line, dating from the signing of the present contract, are to be made at the expense of the Chinese Railway Company; the Hankow-Sinyang sections shall first be surveyed, and then successively each of the other sections, for building which an agreement may be had before the Société d'Etudes avails itself of the right of option conceded it by Article 21.

It is henceforth understood that the section to be built with the funds derived from the first option shall be the one from Paoting towards the Yellow River, and the survey shall be begun during the first year.

ARTICLE 24.—The Société d'Etudes reserves the right to make one or more issues, by public subscription or otherwise, of all or any part of the bonds whether bought outright (*achetées ferme*) or included in the option.

Should the issue be by public subscription, the Société d'Etudes shall have the right to include in the total offered for subscription, exclusive of the 78,000 bonds taken outright (*prises ferme*), all or any part of the bonds covered by the option, without on that account being committed to take outright (*prendre ferme*) any part whatever of the bonds covered by the options.

It shall be allowed fifteen days, counting from the closing of the public subscription, to inform by registered telegram addressed to His Excellency Sheng, Director General of the Chinese Railway Company at Shanghai, the number of bonds it has taken, and that, at the price and under the conditions above specified.

The payment and the delivery of the bonds taken by the Société d'Etudes following the public subscription shall take place under the conditions specified in the above mentioned articles.

ARTICLE 25.—The present contract shall only be binding on the Société d'Etudes inasmuch as it shall have the promise that, with the exception of what can be supplied by the Hanyang works, all the materials and supplies necessary for the construction and working of the railroad from Lu-kou-chiao (Peking) to Hankow will be ordered from the Société d'Etudes, which will fill the orders under the best possible terms.

Exception is made for the material necessary for the equipment (*armement*) of the line from Lu-kou-chiao to Paoting, as this material is almost entirely ready.

Compliance with the provisions of this clause by the Chinese Railway Company shall result from the ordering of material for each of the sections undertaken.

Material ordered from the Société d'Etudes shall be exempt from all customs and likin duties on entering or crossing Chinese territory.

If this franchise is not made good before the expiration of the month following the date on which the Belgian Government shall have notified the Société Belge of the receipt of the notifications stipulated in Article 29, it (the Société d'Etudes) reserves the right not to hold itself bound.

It reserves the same right and within the same time if extraordinary events should arise, as for instance war, or if the French Debt (*rente française*) should fall below par.

If, on its side, the Société Belge should not keep the terms of the present contract, it shall be annulled; the Chinese Railway Company shall be free to enter into contract with whomsoever it may see fit, and to dispense with the services of the Engineer-in-chief.

ARTICLE 26.—In case of controversies or differences between the Société d'Etudes or its representatives and the Imperial Chinese Government or the Chinese Railway Company, these controversies or differences shall be submitted to the judgment of a member of the Tsung-li-Yamên and the Belgian Minister in China.

In case of disagreement between these latter, the Tsung-li-Yamên and the Belgian Minister shall designate an arbitrator who shall decide finally.

Article 27.—As guarantee for the financial execution of the present contract, the Société d'Etudes has already deposited in the Russo-Chinese Bank 20,000 pounds sterling as security.

It shall take full possession of this sum as soon as it shall have fulfilled the provisions stipulated in the first two paragraphs of article 18 here above.

It is understood that the payment of 8,600,000 francs to the Russo-Chinese Bank at Shanghai must be made within the month following the date of the signing of the present contract.

Article 28.—The Tsung-li-Yamên shall be bound in case the Belgian Minister at Peking request it to give cognizance of the title to the Minister of the foreign country, indicated by him, as subscriber to the issue of stock [i.e., *Si le Ministre de Belgique à Pékin en faisait la demande au Tsung-li-Yamen, celui-ci, serait tenu de notifier le titre au Ministre du pays étranger qu'il lui désignerait, comme prenant part à la souscription des titres.*]

Article 29.—The present contract is made in triplicate, one copy for the Chinese Government, one for the Chinese Railway Company and the third for the Société d'Etudes des Chemins de fer en Chine.

In case of doubt or disagreement, the French text alone shall be used to interpret the contract.

The present contract must be submitted through the proper channel for Imperial Sanction, and when said Sanction has been obtained, the Tsung-li Yamên must advise the Belgian Representative at Peking by official dispatch and eventually the Representative in Peking of the foreign country to whom it may give cognizance of the title (*le Représentant à Pékin du pays étranger auquel le titre sera notifié*). These formalities shall be complied with within the month following the signing of the contract. The provisions of the contract signed at Wuchang the 27th May, 1897, and of the protocol signed the 21st July, 1897, which do not conflict with the present contract, especially those of Article 14 of the Wuchang contract and Article 2 of the Shanghai protocol, are and remain in force. The Société Générale of Brussels and the Russo-Chinese Bank are parties to the present contract, and they, after having examined the preceding contract, declare that they, as far as necessary, accept the duties imposed. According to Article 14 of the above mentioned Wuchang contract, the Chinese Railway Company will only recognize the Société Belge as contracting party.

Done at Shanghai, the twenty-sixth day of the month of June, one thousand eight hundred and ninety-eight.

The Engineer representing the Société d'Etudes des Chemins de fer en Chine,

.....

The Director General of the Chinese Railway Company,

.....

The Representatives of the Imperial Chinese Government:

The Viceroy of Hupeh. *The Viceroy of Chihli.*

OPERATING CONTRACT.

BETWEEN THE UNDERSIGNED:

1°. The Imperial Chinese Government, represented by Their Excellencies, the Viceroys of Chihli and of Hupeh;

2°. The *Chinese Railway Company,* represented by His Excellency Sheng Hsüan-huai, its Director General, Office of the Company at Shanghai;

And the *Société d'Etudes des Chemins de fer en Chine,* whose office is at Brussels,

Has been agreed as follows:

ARTICLE 1.—The Chinese Railway Company, in accordance with the Imperial Chinese Government, entrusts the Société d'Etudes des Chemins de fer en Chine, which shall appoint representatives for that purpose, with the direction, administration, and operating of the line from Hankow to Lu-kou-chiao (Peking), for which it holds a concession, under the terms of an edict of His Majesty the Emperor of China dated October 20, 1896, and of which a copy is annexed to the present contract.

ARTICLE 2.—The Société d'Etudes shall take over the working of the line as soon as each section is completed, following final acceptance by the Imperial Administration of Chinese Railways. Each section must be completely and previously equipped and provided with all the material necessary for its working, as well as with the supplies of tools, furniture and a fund for running expenses. The Société d'Etudes or the representatives it shall appoint under the provisions of Article 1, shall organize the various services, shall have the right to hire the personnel, which it shall have absolute right to dismiss, or disband, and to fix its salaries according to a fixed schedule previously communicated to the Director General of the Chinese Railway Company. It shall make all purchases necessary for operating, maintaining or repairing the road; it shall fix the schedule of rates in the terms of concession contracts, collect revenues of all kinds and pay the operating and management expenses of the Company. The foregoing measures, taken for the purpose of operating the line, shall be submitted, for consultative purposes, to the Director General of Chinese Railways.

The Chinese Railway Company, which will appoint delegates for that purpose, shall have absolute right of control over the receipts and expenses.

The purchase of all new material or works for the improvement or extension of the regular road, or of stations, which may be found necessary after the opening of each section of the line to traffic, shall be at the sole expense of the Chinese Railway Company. As far as possible the supplies necessary for the maintenance and repairing of the road shall be ordered from the works and mines under the control of the Director General of the Chinese Railway Company.

ARTICLE 3.—In case of war or revolution in China, the transportation of troops, munitions and of the supplies of the Chinese army shall have right of way over all commercial transportation. The rate for such transportation shall be 50 per cent of the tariff; and it shall be carried according to the instructions of the

Director General of the Chinese Railway Company. The transportation of anything of nature to injure the Imperial Chinese Government shall moreover be forbidden.

ARTICLE 4.—Out of the receipts from operation available, after payment of all expenses, the Société d'Etudes shall retain the necessary sum to insure the payment, every six months, and at least three months before its date of payment, of the service of the loan of 112,500,000 francs contracted by the Imperial Chinese Government.

This reserve shall be made as long as said loan is not entirely paid off.

The amount of this reserve shall be deposited monthly with the Société Générale Belge pour favoriser l'Industrie Nationale, or with the Company designated by it. The latter shall convert into gold on the best terms procurable, the sums paid to it for the service of the loan.

When, by means of the sums thus paid in, the service in gold of the loan shall have been insured, the Société d'Etudes shall deduct 10% of the surplus, which shall be applied to the creation of a reserve fund for rebuilding or making extraordinary repairs necessary to insure the working of the lines.

It shall then pay the balance remaining available out of the operating revenues to the Chinese Railway Company.

ARTICLE 5.—The duration of the present operating contract is fixed at thirty years dating from the signing of the contract.

However, this period would be fully entitled to extension in case the loan of 112,500,000 francs should not at that time be wholly paid off; this extension would continue as long as the complete amortization had not been made. But if the refunding of the loan should be made before the dates on which they fall due, the present working contract will be annulled from the date of the total refunding of the loan.

ARTICLE 6.—During the entire period of the working of the line by the Société Belge, the Chinese Railway Company grants it 20 % of the net profits of the railroad from Peking to Hankow, as agreed upon by mutual consent, after the closing of each fiscal term (*exercice*), taking into account, naturally, the sums necessary for the service of the interest and the amortization of the loans.

ARTICLE 7.—In case of contentions or disagreement between the Société d'Etudes and the Management of the Chinese Railway or the Imperial Chinese Government, said contentions and disagreements shall be settled as specified in Article 26 of the loan contract.

ARTICLE 8.—If the revenues from operating the lines are not sufficient to cover the expenses, the Chinese Railway Company must supply the Société d'Etudes with the necessary means to insure the operating of the lines under normal conditions.

ARTICLE 9.—All materials and supplies needed by the Société d'Etudes for the working of the line, as well as for the maintenance and repair of the line, shall, when imported from abroad, be exempt from all customs or likin dues.

ARTICLE 10.—The present contract is made in triplicate; one copy for the Imperial Chinese Government, one for the Chinese Railway Company, and the third for the Société d'Etudes des Chemins de fer en Chine.

In case of doubt or disagreement the French text shall alone be accepted for the interpretation of the contract.

The present contract must be submitted through the proper channel for Imperial sanction, and, when said sanction shall have been obtained, the Tsung-li-Yamên must advise, by official dispatch, the Belgian Representative at Peking and eventually the representative at Peking of the foreign Government to which the title may be officially notified (*auquel le titre sera notifié*).

Done in Shanghai, the twenty-sixth of the month of June eighteen hundred ninety-eight.

The Engineer representing the Société d'Etudes des Chemins de fer en Chine,
(s.) HUBERT.

The Director-General of the Chinese Railway Company,
(s.) SHENG HSUAN-HUAI.

Seen for authentication:
(s.) FRÈRE,
Belgian Consul.

Witnesses:
(s.) Hu.
(s.) Ko.

(Official seal of the Chinese Railway Administration.)

The Representatives of the Imperial Chinese Government:
The Viceroy of Hupeh. *The Viceroy of Chihli.*

Note.

In *Rockhill*, pp. 225, 230, are also given the following translations of (I) the provisional loan contract, May 27, 1897, and (II) the additional protocol, July 27, 1897:—

(I)

Loan for the Railway from Lu-kou-chiao to Hankow.—May 27, 1898.

(Provisional) contract between the Chinese Railway Company and the Société financière et industrielle belge en Chine, the following has been agreed upon:

"ARTICLE 1.—The Chinese Government has granted a concession for the railway line from Lu-kou-chiao, near the city of Peking, to Hankow, to the Chinese Railway Company which has already a capital of thirteen millions of taels.

"The said Company is authorized by the Imperial Government to negotiate a loan of four million five hundred thousand pounds sterling to be applied solely to the building and working of the line from Lu-kou-chiao to Hankow; the provisions hereafter set forth must be observed by the Chinese Railway Company as well as by the Société financière et industrielle belge en Chine.

"ARTICLE 2.—Said loan, of a nominal value of four million five hundred thousand pounds sterling, with ten per cent discount, or a real value of four million fifty thousand pounds sterling, is agreed to by the Société financière et industrielle belge en Chine. It will be paid in four installments of one million twelve thousand five hundred pounds sterling, representing the real value, and at the following dates:

"First payment: January 3, 1898,
"Second payment: July 3, 1898,
"Third payment: January 3, 1899,
"Fourth payment: July 3, 1899.

"These payments will be made into a Belgian bank of Brussels, chosen by the Chinese Railway Company which is at liberty to transfer this sum as it sees fit.

"ARTICLE 3.—The loan agreed to by the Société financière et industrielle belge en Chine, shall bear annual interest of four per cent. Said interest shall be paid in January and July of each year.

"ARTICLE 4.—The Chinese Railway Company agrees to reimburse the loan provided for in the present convention, after the first ten years, in twenty annuities of two hundred and twenty-five thousand pounds sterling, payable yearly after January 3, 1909.

"The payment of interest and annuities will be made in China, into a bank designated by the Société financière et industrielle belge en Chine, and in conformity with the table of amortization annexed to the present convention.

"ARTICLE 5.—With the authorization of the Imperial Chinese Government, the payment of interest and the refunding of the loan will be guaranteed by the railway line from Lu-kou-chiao to Hankow as also by all the property and material connected therewith.

"It is understood that the guarantees given for the loan provided for in the present convention, are reserved for the subscribers to the present loan and that the guarantees given for subsequent loans can nowise prejudice that now granted the Société financière et industrielle belge en Chine.

"ARTICLE 6.—Except in case of *force majeure*, the work of building must be finished and the railway from Lu-kou-chiao to Hankow put in operation before the expiration of five years, that is to say of 1903.

"ARTICLE 7.—The contracting parties may not invoke a state of war existing in any part of the world not to keep their engagements. If said state of war should exist in China, the Belgian staff shall remain in the employ of the Chinese Railway Company, unless its assistance is asked for by the Imperial Chinese Government.

"ARTICLE 8.—The Société financière et industrielle belge en Chine, shall choose an experienced, reliable and honest engineer to represent it and who shall be charged with controlling the technical work; he shall, furthermore, be charged with drawing up plans and carrying them out under the exclusive authority of the General Director of the Chinese Railway Company, under whose direct orders he shall be. This Controlling Engineer will be under the absolute direction of the General Director of the Chinese Railway Company. The Chinese Railway Company reserves all rights of management of the railway. It will be responsible until the expiring of the present contract for the salary of this Controlling Engineer as fixed upon in agreement with the Société financière et industrielle belge en Chine.

"ARTICLE 9.—The foreign staff needed by the Chinese Railway Company for building and operating the line, during the life of the present contract, shall be chosen and presented by the technical Controlling Engineer representing the Société financière et industrielle belge en Chine; it will be appointed by decision of the Director General of the Chinese Railway Company. The Chinese Railway Company is at liberty to settle for itself as regards its foreign staff, the form of engagement to be used, adopting long or short term contracts.

"All the staff employed by the Chinese Railway Company and attached to the working of the line, with the exception of the Controlling Engineer, will be required to obey the Chinese delegates of the Director General of the Company and work harmoniously with all the Chinese and foreign staff of other nationalities, chosen and appointed by the Director General to any position, and this in the interest of the Railway Company

"If disputes arise between European and Chinese agents, they shall be impartially settled by the Director General, aided by the representative of the Belgian Company.

"The Director General of Chinese Railways shall always be at liberty to designate foreigners of whatever nationality to inspect the works under way; the Belgian Company shall never have the right to prevent it.

"Nevertheless, the duty of the persons designated shall only consist in inspecting works and they shall never have the right to give orders to the staff employed in building and working the line. Such persons may likewise make reports to the Director General of Chinese Railways on the results of their inspections.

"The staff employed in building and operating shall furnish all necessary facilities to foreigners entrusted with an inspection, and that in the interest of the Chinese Railway Company.

"ARTICLE 10.—In case one of the foreign employés referred to in articles 8 and 9, irrespective of duties, should through carelessness, incapacity, disobedience of the orders of the Director General, insubordination, drunkenness, or bad conduct, be held to be unfit for the service, the Director General shall have the right to cancel the contract and the dismissed agent shall leave at once the service of the Chinese Railway Company.

"ARTICLE 11.—The materials necessary for the Chinese Railway Company, exclusive of all that can be manufactured in China or of that that can be manufactured there later on, shall be bought abroad.

"The Director General shall decide, in consultation with the Controlling Engineer, the amount of materials to ask bids on; said quantity, however, shall never exceed fifty per cent of that required.

"The award shall be made without any special favor for the Société financière et industrielle belge en Chine. If this Company agrees to furnish at perfect equality of con-

ditions as to quality, price and carriage with those secured by the Chinese Railway Company, the Belgian Company shall have the furnishing of said materials; but if said Company is unable to supply under the above-mentioned conditions, the Chinese Railway Company will make its purchase where it likes; the Belgian Company shall in no way prevent it so doing.

"As to the materials which cannot be divided in accordance with paragraph 2 of the present article (50 p. c. maximum asked for), if the Belgian Company agrees to furnish at perfect equality of conditions as to quality, price and carriage with those secured by the Chinese Railway Company, the furnishing shall be granted the Belgian Company; in the contrary case, the Chinese Railway Company will buy where it chooses; the Belgian Company shall in no way prevent it so doing.

"The Chinese Railway Company reserves to itself the right to use all means it may deem good to inform itself as to the best prices for supplying all its materials, without the Belgian Company interfering in any way with its inquiries.

"ARTICLE 12.—As a premium, the Chinese Railway Company will pay the Belgian Company a sum of five per cent. on the net value, less the cost of transportation, insurance, etc., on all materials bought abroad. The materials for the branch from Lu-kou-chiao to Paoting is not subject to the premium provided for in the present article because nearly the whole amount of said materials has already been bought.

"ARTICLE 13.—The taking over of material bought in Belgium will be in the factories making it and by a commission consisting of a delegate of the Chinese Railway Company and of a delegate of the Société financière et industrielle belge en Chine; in case of disagreement, these two delegates shall choose an umpire to decide the question. The expenses of the delegates shall be borne by the Company designating them. The expense of the umpire shall be borne by the losing party.

"ARTICLE 14.—The Société financière et industrielle belge en Chine and its chosen agent, shall deal with no other persons or accept any other authority than the Chinese Railway Company. The latter, on its side, shall only recognize the Société financière et industrielle belge en Chine, established at Brussels, in 1897, to the exclusion of every other company.

"During the life of the present contract, the Belgian Company shall in no wise be managed by manufacturers or subjects of other countries, and the Belgian Company shall not be at liberty to transfer this contract to any other country, nor to the subjects of another country.

"ARTICLE 15.—If the provisions set forth in the present convention are regularly adhered to by the Chinese Railway Company, the Société financière et industrielle belge en Chine agrees, in case of necessity, to study means, in conjunction with the said Company, to secure to it special facilities for extendinig the terms of paying off the annuities and interest.

"In case extensions are granted, the amounts which should have been refunded shall bear the same interest as that provided for the loan in the present convention.

"If the Chinese Railway Company wishes to refund the whole loan before the date on which it falls due, it will be at liberty to do so and the interest will cease from the day of such refunding, and the contract shall be declared void from that day.

"ARTICLE 16.—All the above provisions are agreed upon in the provisional contract made this day; this provisional convention is signed by the Director General of the Chinese Railway Company on the one part, and stamped with his seal, and, on the other part, by the two representatives of the Société financière et industrielle belge en Chine, and viséed for authentication by the Consul of Belgium at Hankow.

"Within two months from the date of signing of the provisional contract, the Chinese Railway Company and the Société financière et industrielle belge en Chine, will sign again so as to confirm the provisional contract which shall then become final.

"These formalities complied with, the contract shall receive the seals of Their Excellencies the Viceroys of Pechihli and of Hu-Kwang, and also that of H. Ex. the Minister of Belgium, at Peking.

"ARTICLE 17.—The present contract has been drawn up in the French and Chinese languages; when necessity arises for consulting the contract, the two texts, absolutely identical, shall both be authoritative.

"Done at Wuchang, the 27 of the month of May, 1897.

"The Chinese Railway Company being represented by H. Ex. Sheng-Hsuan-Huai, its Director General.

"The Société financière et industrielle belge en Chine being represented by MM. Masy and Rizzardi."

(II)

Additional Protocol to the Contract relating to the Loan for Four Million Five Hundred Thousand Pounds Sterling for the Railway from Hankow to Lu-kou-chiao.—July 27, 1897.

"A provisional contract was made, at Wuchang, the twenty-seventh day of the month of May one thousand eight hundred and ninety seven (twenty-sixth day, fourth month, twenty-third year of the present reign) relating to the loan for the railway from Lu-kou-chiao to Hankow.

"Between

"The General Company of Chinese Railways, established by Imperial decree of the twentieth October one thousand eight hundred and ninety six (fourteenth day, ninth month, twenty-second year of the present reign), and to which was granted, by the same decree, the concession for the said line,

of the first part.

"And the Belgian Company, established by authentic act dated the third March one thousand eight hundred and ninety seven, published in the *Moniteur Belge* (official newspaper) of the twenty-second, twenty-third March one thousand eight hundred and ninety-seven,

of the second part.

"This contract was authorized by Imperial decree of the twenty-fifth May one thousand eight hundred and ninety-seven (twenty-fourth day, fourth month, twenty-third year of the present reign). The decree of that date will be communicated to H. E. the Minister of Belgium at Peking through the Tsung-li Yamên.

"The Chinese Railway Company, represented by H. E. Sheng, its Director General, duly authorized for that purpose by the above mentioned decree and the Belgian Company, represented by M. Alexis Dufourny, Chief Engineer, Director of the Ponts et Chaussées at Brussels, and by M. Edouard Walin, First class Engineer of the Ponts et Chaussées, Director of the intercommunal waterworks Company at Brussels, duly authorized, on their side, by the Belgian Company, authority confirmed by a telegram of H. E. the Belgian Minister at Peking, sign anew, in the name of the interested parties, the provisional contract according to the terms of article sixteen of the latter, so as to confirm it and make it final, and agree furthermore on the following:

"ARTICLE I.—The above mentioned Belgian Company will make a complete study of the line from Hankow to Lu-kou-chiao for the Chinese Railway Company; it undertakes to make the surveys, levelling, longitudinal and sectional cuts, to make all plans, drafts of masonry works, bridges, buildings, shops, stations and outhouses of whatever nature, as also the measurements and specifications, all charges for which are included in the forty-hundredths per cent. of additional interest mentioned hereafter in Article III.

"A similar study will be made for the rolling and fixed stock. But in conformity with article eight of the contract, the drafts and plans shall be successively submitted to the approval of the General Director. It is well understood that all these works are to be carefully done, without any omission; they are not to occasion any additional expenses.

"Field work for the carrying out of the works must be finished within a year from the date of the conclusion of the last formalities of approval of the contract. They must be carried out with the necessary activity to permit of the embankment work being begun within six months of the above mentioned date.

"ARTICLE II.—The Belgian Company surrenders its right to a premium on materials, conferred on it by article twelve of the contract, and therefore said article is considered as void.

"ARTICLE III.—On the other hand, as compensation for the concessions mentioned above in Articles I and II, and to guarantee its expenses of organization, mission abroad and issuing (the loan), inclusive of all disbursements whatsoever relating thereto, and finally its general expenses during the whole time of the loan, the Belgian Company shall receive an increase of forty-hundredths per cent (four per thousand) on the rate of interest provided for in article three of the contract. This additional interest of four per thousand will be paid in the same manner as the yearly interest of four per cent; consequently the rate of interest of four per cent, together with all the general expenses, is raised, in effect, to four and forty per cent (4.40 p. c.). No charge whatsoever in excess of this rate of interest shall be asked for.

"ARTICLE IV.—The payments provided for in article two of the contract shall be made into the Belgian Bank at Brussels, designated by the name of "Société Générale pour favoriser l'Industrie Nationale," and the Chinese Railway Company will transfer (thereto) the sums paid into the Commercial Bank of China at Shanghai, organized by imperial decree under date of the twelfth November one thousand eight hundred and ninety-six (eighth day, tenth month, twenty-second year of the present reign). The payments of interest and annuities will be made in pounds sterling into the above mentioned Commercial Bank.

"ARTICLE V.—It is understood that the guarantee of the railway line, referred to in article five of the contract, has absolutely priority of rank.

"ARTICLE VI.—The present protocol shall be stamped with the seal of Their Excellencies

the Viceroys of Pechihli and of Hu-Kwang, and also with that of H. E. the Minister of Belgium at Peking.

"The present protocol has been made out in four copies in the French and Chinese languages; both versions are equally authoritative.

"Done at Shanghai, the twenty-seventh of July one thousand eight hundred and ninety-seven.

"For the Chinese Railway Company,

"*The Director General,*
"SHENG.

"For the Belgian Company,

"*The first class Engineer of Ponts et Chaussées,*
Director of the Intercommunal Waterworks Company,
"WALIN.

"*The Chief Engineer, Director of Ponts et Chaussées,*
"DUFOURNY."

For the French texts of these agreements, see *Wang*, pp. 13, 35.

The following correspondence is also attached to the texts of the contracts as printed in *Rockhill*, p. 246:

"LETTER OF HIS EXCELLENCY SHENG RELATIVE TO THE ARBITRATION CLAUSE.

"IMPERIAL ADMINISTRATION OF CHINESE RAILWAYS,
"*Shanghai, June 26, 1898.*

"As the contentions and disagreements referred to in Article 26 of the loan contract and in Article 7 of the operating contract relating to the Railway from Hankow to Peking, may relate to interest and the amortization of the loan, the undersigned Sheng Hsüan-huai, Director General of the Chinese Railway Company, duly authorized thereto by the Tsung-li Yamên, declares, from the present date, that the arbitrator to judge finally all such contentions and disagreements, will be the Minister at Peking of the foreign country which shall have taken part in the subscription for the loan.

[Official Seal of the Chinese Railway Administration.] [s] "SHENG HSÜAN-HUAI,
"*Director General of Railways.*"

"LETTER OF HIS EXCELLENCY SHENG RELATIVE TO THE PREFERENTIAL RIGHT TO THE HANKOW-CANTON LINE.

"IMPERIAL ADMINISTRATION OF CHINESE RAILWAYS,
"*Shanghai, June 26, 1898.*

"The undersigned, Sheng Hsüan-huai, Director General of the Chinese Railway Company, declares that he reserves to the Société d'Etudes des Chemins de fer en Chine, a preferential right as regards the railway to be built from Hankow to Canton, in case the provisional contract, *as drawn up* in Washington between His Excellency Sheng and the American Syndicate (Carey-Washburn), should not become a definitive one.

"It is well understood that this preferential right is granted to the Société d'Etudes des Chemins de fer en Chine, under the terms of Article 14 of the Wuchang contract, which formally prohibits the Société Belge d'Etudes des Chemins de fer en Chine from transferring any of its rights to any company of foreign nationality.

[Official seal of the Chinese Railway Administration.] [s] "SHENG HSÜAN-HUAI,
"*Director General of Railways.*"

Rockhill, p. 247, notes that in connection with the letter of Sheng Hsüan-huai given above and relating to the preferential right of the Belgian Syndicate to build the Hankow-Canton railway in case the contract made with the American China Development Company should not become definitive, the following dispatch from the British Chargé d'Affaires in Peking to Lord Salisbury, published in the British Parliamentary Blue Book, *China*, No. 1 (1900), pp. 155-156, is of interest.

"MR. BAX-IRONSIDE TO THE MARQUESS OF SALISBURY.

"[*Extract.*]

"PEKING, *May 15, 1899.*

"I had the honour to receive a telegram from your Lordship on the 28th ultimo, informing me that the prospectus issued by the Belgian Syndicate for the Peking-Hankow Railway Loan states that the Syndicate have a preferential right to the Hankow-Canton line in the event of the Contract with the American Syndicate not being finally arranged.

"Your Lordship also inquired whether the Chinese Government had ever communicated the text of the Peking-Hankow Agreement in accordance with an undertaking which they had previously given us.

"At an interview which had already been arranged for the following day with the Tsung-li Yamên, I took the opportunity to inquire whether the statement issued in the Belgian prospectus was a correct one.

"The Ministers had no knowledge of any such arrangement.

"I pointed out that, according to published reports, the American Syndicate had a preferential right to the Peking-Hankow line if negotiations with the Belgian Syndicate fell through.

"The Ministers expressed themselves equally ignorant of this arrangement.

"On the following day I sent two members of the staff to carefully compare our copy of the Chinese text with the original one in the possession of the Tsung-li Yamên, with the result that the comparison showed no material difference.

"The Secretaries of the Yamên stated that they had no copy of the French text which is the standard in case of dispute.

"On the 6th instant I addressed an official note to the Tsung-li Yamên requesting to be informed whether such an arrangement as stated in the prospectus had been made, and their Excellencies replied in the negative.

"Copy of my note, together with reply thereto, are herewith inclosed.

"[Inclosure 1.]

"MR. BAX-IRONSIDE TO THE TSUNG-LI-YAMÊN.

"PEKING, *May 6, 1899.*

"MM. LES MINISTRES,

"On the 29th April I called at the Yamên and referred to the Agreement made on the 26th June last year with the Belgian Syndicate for the Peking-Hankow Railway. I mentioned that in the prospectus issued by the Belgian Syndicate it was stated that China had promised that if the American Agreement for the Hankow-Canton line fell through, the Belgian Syndicate would be intrusted with the construction of that line.

"Your Excellencies informed me that there was no such stipulation in the Agreement of twenty-nine Articles, or the Supplementary Agreement of ten Articles made with the Belgian Syndicate for the Peking-Hankow line.

"I have heard, however, that the promise referred to was given subsequently to the settlement of the aforesaid Agreements, and I have the honour to request your Highness and your Excellencies to inform me whether such an Agreement has been made.

"(*Signed*) H. O. BAX-IRONSIDE.

"[Inclosure 2.]

"THE TSUNG-LI YAMÊN TO MR. BAX-IRONSIDE.

"[Translation.]

"SIR, "PEKING, *May 10, 1899.*

"On the 6th instant we received your letter to the effect that in the prospectus issued by the Belgian Syndicate it is stated that China has promised that in the event of the abandonment of the American Contract for the Hankow-Canton Railway the Belgian Syndicate will be intrusted with the construction of that line. You added that you had heard that this promise was given subsequently to the settlement of the Belgian Agreement, and you inquired whether such an arrangement had been made.

"We have the honour to inform you that neither the Belgian Agreement in twenty-nine clauses nor the Supplementary Agreement in ten clauses contains any such stipulation, and that there has been no subsequent arrangement of any kind.

"We have, &c.

"(Cards of their Excellencies the Ministers inclosed.)"

In the "Memorandum on railway and mining concessions secured by France and French companies," in *Documents Diplomatiques, Chine, Juin-Octobre, 1900*, p. 23, occurs the following comment (as translated in *Rockhill*, p. 402) in regard to the Peking-Hankow Railway concession:

"The Société d'études des chemins de fer en Chine, a Franco-Belgian syndicate in which the French element is represented by the big financial establishments of Paris and the big metallurgical industries of France has received a concession for a railway from Peking to Hankow. The two contracts relating to this line, for a loan and for operating, are dated the 26 June 1898. The line will have an extension of about 1,250 kilometers. It is being built and will be operated by the Société d'études for the mutual profit and equal advantage of the French and Belgian parties.

"The loan to be floated is 112,500,000 francs. It has been agreed that the French financial share shall be three fifths, that of Belgium two fifths. A first issue of 133,000 bonds of 500 francs 5% was made at Paris and Brussels on April 19, 1899. 226,800 bonds

were subscribed for, 190,800 at Paris and 36,000 at Brussels. The product of this first issue will suffice to build 500 kilometers of which 300 in the north and 200 in the south, and which will be soon finished. 150 kilometers in the north are already being operated. The building of the remainder will be seen to by a second issue as soon as circumstances permit of it.

"The Société d'études has secured the right to work mines along the line and to make, for the use of these, branch lines.

"A branch company has been organized under the name of 'Société franco-belge de recherches minières en Chine' to work these mines."

On August 13, 1905, was concluded a Contract for a supplementary loan for the purpose of completing the Peking-Hankow Railway, of which the translation (from the French text printed in *Wang*, p. 73) is as follows:

Contract for Supplementary Loan for Completion of Peking-Hankow Railway.—August 13, 1905.

"*Between the undersigned:*

"*First:* The Imperial Chinese Railway Company, represented by His Excellency Sheng Hsüan-huai Kung Pao, Director General, duly authorized by the Chinese Government.

"*Second:* The Société d'études des chemins de fer en Chine, represented by Mr. Jean Jadot, Engineer-in-chief, Director of the line from Peking to Hankow, holding full powers,

"*It has been agreed as follows:*

"ARTICLE I.—To assure the completion in good time of the line from Peking to Hankow and of its branches, and also to assure the payment of interest on the loan, until the whole line has been put into operation, the two contracting parties have decided to issue a supplementary five per cent gold loan, at the issue price of ninety per cent, to the nominal amount of twelve million five hundred thousand francs (frs. 12,500,000), represented by twenty-five thousand bonds of five hundred francs (frs. 500) each.

"ARTICLE II.—This loan is subject to all the clauses and conditions of the principal Five Per Cent Loan Contract, under date of June 26, 1898, and of the operating contract annexed thereto, especially as regards the rate of interest, period, amortization, etc.

"ARTICLE III.—This loan, like the principal loan, has the guarantee of the Chinese Government; and it has, furthermore, as a special guarantee, the net revenue from the operation of the Peking-Hankow line, including the extension from Lu-kou-chiao to Peking, and the branches forming part of the same system, after deduction of the sums necessary to assure the services of the principal loan of 1898.

"ARTICLE IV.—The purpose of the present supplementary loan being to assure the completion of the whole line, every effort will be made to avoid exceeding it. If, however, after the completion of the line towards the close of 1905, besides the ordinary expenses of upkeep and current repairs, and besides the service of the loan and the deduction of ten per cent (10%) for rebuilding or extraordinary repairs (according to Article IV of the operating contract)—expenses which will be covered by the operating revenues—there are expenses to be incurred for the final work or orders for new material, or any extension works whatsoever—expenses which (according to Article II of the operating contract, and according to the rules generally adopted in railway business) should be charged to the capital account—these expenses will be covered by that share of the net profits which should accrue to the Imperial Chinese Railway Company: if that share should not suffice to cover these expenses, the Imperial Chinese Railway Company should of course, in conformity with the operating contract, furnish the funds to cover them.

"These expenses can only be incurred after a previous agreement with the Director General or his delegate.

"ARTICLE V.—After the completion of the whole line the operating service will become more and more important. The Imperial Chinese Railway Company has named a delegate who (in conformity with Article II of the operating contract) should examine in advance, with the delegate of the Société d'études des chemins de fer en Chine, all measures for the purpose of assuring the perfect organization of the various services and see to the proper execution of those measures, the Société d'études des chemins de fer en Chine being charged by the Chinese Government with the operation of the line, by virtue of the operating contract.

"ARTICLE VI.—If, in the future, the construction of new branches is decided upon, the Imperial Chinese Railway Company must furnish the necessary funds, either by means of its share of the net profits, or otherwise. The Imperial Chinese Railway Company will be free to choose such means as it sees fit.

"ARTICLE VII.—The present contract is drawn up in four (4) copies, one of them for the Chinese Government, one for the Imperial Chinese Railway Company, one for the Legation of Belgium in Peking, and one for the Société d'études des chemins de fer en Chine.

"In case of doubt or difference, the French text alone will be authoritative for the interpretation of the contract.

"ARTICLE VIII.—When the contract shall have received imperial sanction, the Ministry of Foreign Affairs (Wai-wu Pu) will give instructions by telegraph to his Excellency the Minister of China, in Brussels, for the signature of the twenty-five thousand bonds for the loan, in the name of the Chinese Government.

"Notice of the imperial sanction and of the instructions given to the Chinese Minister at Brussels will be given by the Wai-wu Pu to the Minister of Belgium in Peking.

"If the Minister of Belgium requests it of the Wai-wu Pu, the latter will advise the minister of such foreign country as may be designated to him as taking a part in the subscription for the bonds.

"Done at Peking August thirteenth, nineteen hundred and five.

"(*Signed*) J. JADOT.
"(*Signed*) SHENG."

On October 8, 1908, the Chinese Board of Posts and Communications concluded with the Hongkong and Shanghai Banking Corporation and the Banque de l'Indo-Chine a loan agreement for the purpose of redeeming the Peking-Hankow Railway Loans (No. 1908/12, *post*); and on the same date an imperial edict authorized the Bank of Communications to issue a seven per cent Peking-Hankow Railway Redemption Loan of $10,000,000 (No. 1908/13, *post*). The Chinese Government took control of the railway from January 1, 1909.

The line was originally to run, not from Peking but from Lu-kou-chiao (a few miles to the west), to Hankow, and from the first character of each name was known as the *Lu-Han* Railway: upon its extension to Peking, it was known first as the *Pei-Han*, and later as the *Kin-Han* Railway (*Kin* being the French transliteration of the second character in the name *Peking*).

NUMBER 1898/14.

GREAT BRITAIN AND CHINA.

Convention for the lease of Wei-hai Wei.—July 1, 1898.*

In order to provide Great Britain with a suitable naval harbour in North China and for the better protection of British commerce in the neighbouring seas, the Government of His Majesty the Emperor of China agree to lease to the Government of Her Majesty the Queen of Great Britain and Ireland, Wei-hai Wei, in the province of Shantung and the adjacent waters, for so long a period as Port Arthur shall remain in the occupation of Russia.

Territory leased.—The territory leased shall comprise the Island of Liu-kung and all other islands in the Bay of Wei-hai Wei, and a belt of land 10 English miles wide along the entire coast line of the Bay of Wei-hai Wei.

* Text as reprinted in *Rockhill*, p. 60, from *China, 1899, No. 1*, p. 199. Printed also in *Customs*, Vol. I, p. 541; *Hertslet*, p. 122; *Am. Int. Law Journal, Supplement*, 1910, p. 297; *British Treaty Series, 1898, No. 14.*

In connection with this convention see also the following declaration made to the German Government by the British Ambassador at Berlin, by a note dated April 20, 1898, and formally acknowledged on the same date:

"England formally declares to Germany that in establishing herself at Wei-hai Wei, she has no intention of injuring or contesting the rights and interests of Germany in the Province of Shantung, or of creating difficulties for her in that province. It is especially understood that England will not construct any railroad communication from Wei-hai Wei and the district leased therewith into the interior of the Province of Shantung."

For full text of notes, see *Hertslet*, p. 584. See also *Rockhill*, p. 180, and *China, 1899, No. 1*, p. 27.

Within the above-mentioned territory leased Great Britain shall have sole jurisdiction.

Right to fortify.—Great Britain shall have, in addition, the right to erect fortifications, station troops, or take any other measures necessary for defensive purposes, at any points on or near the coast of the region east of the meridian 121° 40′ east of Greenwich, and to acquire on equitable compensation within that territory such sites as may be necessary for water supply, communications, and hospitals. Within that zone Chinese administration will not be interfered with, but no troops other than Chinese or British shall be allowed therein.

Jurisdictional rights.—It is also agreed that within the walled city of Wei-hai Wei, Chinese officials shall continue to exercise jurisdiction except so far as may be inconsistent with naval and military requirements for the defence of the territory leased.

Rights of Chinese war ships.—It is further agreed that Chinese vessels of war, whether neutral or otherwise, shall retain the right to use the waters herein leased to Great Britain.

Expropriation of natives.—It is further understood that there will be no expropriation or expulsion of the inhabitants of the territory herein specified, and that if land is required for fortifications, public offices, or any official or public purpose, it shall be bought at a fair price.

This Convention shall come into force on signature. It shall be ratified by the Sovereigns of the two countries, and the ratifications shall be exchanged in London as soon as possible.†

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed the present agreement.

CLAUDE M. MACDONALD,
PRINCE CH'ING,
Senior Member of the Tsung-li Yamên.
LIAO SHOU-HÊNG,
President of the Board of Punishments.

Done at Peking in quadruplicate (four copies in English and four in Chinese) the 1st day of July in the year of our Lord 1898, being the 13th day of the 5th moon of the 24th year of Kuang-hsü.

† Ratifications exchanged at London, October 5, 1898.

NUMBER 1898/15.

RUSSIA (Chinese Eastern Railway) AND CHINA.

Agreement concerning the southern branch of the Chinese Eastern Railway.—July 6, 1898.*

Hsü (Ching-ch'êng), Ambassador (?) of the Imperial Chinese Government, and Yang(-ju), Minister of the Imperial Chinese Government to Russia, have received an Imperial Decree of the 7th of the Fifth Moon, XXIV Year of Kuanghsü, that is the 13th of June, 1898, Russian Calendar (June 25th, 1898, New Style), authorizing them to draw up a contract with the Chinese Eastern Railway Company in accordance with the provisions of the Treaty between China and Russia, entered into at Peking on the 6th of the Third Moon, XXIV Year of Kuanghsü, i. e. March 15, 1898, Russian Calendar (March 27th, 1898, N. S.)† and those of the Special Supplementary Articles to the same, agreed upon at St. Petersburg on the 17th of the Intercalary Third Moon—April 25, 1898—(May 7th, 1898, N. S.)‡ to the effect that, from the date of the signing of said Treaty by the Chinese Government, in accordance with the permission given in the XXII Year of Kuanghsü (1896) to the Chinese Eastern Railway Company to construct certain railways, a branch line might be built and operated, which should begin at a station, to be selected on the main line of the Chinese Eastern Railway, and extend to the sea-ports, Dalny and Port Arthur in the Liao-tung Peninsula; the said branch line to be dealt with in careful compliance with the terms of the Contract of the 2d of the Eighth Moon, XXII Year of Kuanghsü, August 27, 1896, Russian Calendar (Sept. 8, 1896, N. S.) § between the Chinese Government and the Russo-Chinese Bank.

In accordance with the foregoing provisions, the following Articles relating to the construction and operation of a railway through Manchuria are now agreed upon, to-wit:

Article I.—This branch of the Chinese Eastern Railway, extending to the sea-ports of Port Arthur and Dalny, shall be known as the Southern Manchurian Branch of the Chinese Eastern Railway.

Article II.—In accordance with Article IV of the Contract of the 2d. of the Eighth Moon, XXII Year of Kuanghsü, August 27, 1896 (Sept. 8th, 1896, N. S.), which provides that the Chinese Government shall take steps as occasion may require to facilitate the bringing in of the materials needed for the construction of the line, whether transported by water or by land, it is now agreed that the Company may employ steamers or other vessels, and such vessels flying the Company's flag shall be permitted to proceed up the Liao River or any of its branches, and to enter Ying-k'ou (the port of Newchwang) or any port in the

* Translation from the Chinese text as printed in *Customs,* Vol. II, p. 233. See Note to this document, *post,* p. 156.

† No. 1898/5, *ante.*

‡ No. 1898/9, *ante.*

§ No. 1896/5, *ante.*

Neutral Territory which may prove advantageous to the work of constructing this line, and may there discharge cargo.

ARTICLE III.—In order to facilitate the bringing in by the Chinese Eastern Railway Company of the materials and provisions needed in the construction of the Southern Manchurian Branch, it is permitted the Company to build temporary branch lines from this road to Ying-k'ou and to sea-ports in the Neutral Zone, but when the work of building the line is completed and the road is open for traffic the Company must at the notice of the Chinese Government remove these branch railways; that is to say, within eight years from the date of the survey and determination of the line and the appropriation of the land for its construction these temporary branch lines must be removed.

ARTICLE IV.—In accordance with the permission granted to the Company in the XXIII Year of Kuanghsü (1897) to cut timber and mine coal for the use of the railway, it is now agreed to allow the Company to fell timber at its pleasure in the forests on government lands, each tree to be paid for at a price to be fixed by the Engineer-in-Chief or his deputy in consultation with the local authorities, but not higher than the local market rate. But no forests on property in the province of Shengking belonging to the Imperial Family, or on sites that affect the *feng-shui* being under the direct control of the Peking Government may be injured or disturbed.

The Company shall also be allowed in the regions traversed by this branch line to mine such coal as may be needed for the construction or operation of the railway, the price of which coal shall be fixed by the Engineer-in-Chief or his Deputy in consultation with the local authorities but shall not exceed the royalty paid by other parties in the same locality.

ARTICLE V.—Within the leased territory on the Liao-tung Peninsula Russia may fix the Customs Tariff to suit herself, and China may levy and collect duties at the boundaries on all goods going from the leased territory to the interior or from the interior to the leased territory. In dealing with this matter China may arrange with Russia for the latter Government to establish the Customs at Dalny and from the date of the opening of the said port to international trade to appoint the Chinese Eastern Railway Company to act as the Agent of the Chinese Imperial Board of Revenue to open and manage the Customs and in its behalf to levy and collect duties. The said Customs shall be under the sole control of the Peking Government, to which the said Agent shall from time to time report its management. In addition there shall be appointed a Chinese civil official to be stationed as Deputy at the said Customs. All baggage of passengers and all goods brought from railway stations within the Russian boundaries by the said line into the territory leased to Russia in the Liao-tung Peninsula, or shipped from the said leased territory into the Russian Empire shall be entirely free of all Customs duties as well as of all Inland Transit and Likin dues. Goods shipped by rail from the interior of China to the leased territory or from the leased territory to the interior must pay export or import duties respectively according to the Imperial Maritime Customs Tariff without increase or reduction.

ARTICLE VI.—The Company may at its pleasure assume the responsibility

of establishing a line of sea-going vessels flying the Company's flag, to be operated under the Regulations for Foreign Mercantile Shipping. Should these vessels or the management of the business in connection therewith occasion any financial loss, the Chinese Government shall not be held responsible. Passenger fares and freight rates shall be established by the Company to suit itself, and shall in no wise concern the railway. The period of the management of the said enterprise being of course unlimited, the provisions of Article XII of the Contract between the Chinese Government and the Russo-Chinese Bank of the XXII year of Kuanghsü (1896)‖ fixing a price for the purchase of the railway, and a date for its reversion to China without payment, shall not apply to this undertaking.

Article VII.—As to the location of the Southern Manchurian Railway Line, and the determination of the places through which it shall pass, it will be necessary to wait until the Engineer-in-Chief shall have surveyed the route through Manchuria and made report of the conditions to the Head Office of the Company, when the Company or its Agent in Peking shall consult with the Director General of the Railway and decide the matter.

Note.

To the text as printed in *Customs* is appended the reading of a telegram of which the translation is as follows:

"In accordance with Treaty of Peking of 6th of Third Moon and Special Articles of Intercalary Moon, extension of Chinese Eastern Railway Company, to build and operate a branch line from station to be selected on main line to sea-ports Port Arthur and Dalny in Liao-tung. Careful compliance with provisions of Russo-Chinese Bank's contract. Supplementary Articles proposed as follows:—

"1. This Branch line, extending to Port Arthur and Dalny, shall be known as the Southern Manchurian Branch of Chinese Eastern Railway.

"2. Original Agreement, Article IV, (provides) Chinese Government to take steps to facilitate transport by land or water of materials for construction of railway. Company permitted to employ steamships or other vessels flying Company's flag which may enter Liao River and branches and proceed to Ying-k'ou and all sea-ports in Neutral Zone and there unload materials.

"3. In order to facilitate shipment of materials and provisions, Company permitted to construct temporary branch lines from Southern Manchurian line to Ying-k'ou and sea-ports in Neutral Zone, but when the work of building railway is completed and whole line open to traffic, all these temporary branch lines to be removed at pleasure of Chinese Government.

"4. The Chinese Government in First Moon last year granted permission to obtain coal and wood. Company now allowed to fell timber in forests on government lands, price of each tree to be fixed by local authorities in conference with Engineer-in-Chief, but not to be made higher than local market rate. But, forests in province of Shengking, property of Imperial Family, affecting *Feng-shui*, under control of Peking Government, not allowed to be touched.

"Company also permitted in localities through which this branch line passes to mine coal, payment for same also to be determined by conference but not to be more than paid by others.

"5. Within the Leased Territory Russia to determine for herself the Customs Tariff. China must collect duties on goods at the boundary of Leased Territory. With respect to this matter arrangements may be made permitting Russia on opening of Dalny to international trade to establish the Customs at that port and appoint the Company to act as Agent of Chinese Imperial Board of Revenue, levying and collecting duties, under direct control of Peking Government, and reporting its management to same from time

‖ i.e., No. 1896/5, *ante*.

to time. Goods coming from railway stations within the Russian boundaries into the leased Territory or from the latter into Russia to be free of all Customs duty and likin charges; those going by railway from leased territory into the interior of China or from interior to leased territory to pay duty according to tariff of Imperial Maritime Customs without increase or reduction.

"6. Company allowed to establish line of merchant steamships flying Company's flag. If any financial loss, China not responsible; this business not to involve the railway, and not to be dealt with under provisions of original contract fixing price for purchase (of railway) and date for reversion (without payment).

"7. Location of line of Southern Manchurian Railway and determination of places through which it will pass to await surveys in Manchuria by Engineer-in-Chief when Company or its Agent in Peking will consult with Director General and decide.

"The above is translated by Ch'êng Ju-chiang from the complete text of letter received from Chinese Eastern Railway, omitting unimportant words and phrases, this third day of Fourth Moon, Kuanghsü XXIV Year (May 22, 1898)."

In connection with this agreement see the following translation from the Russian text of the first supplement to the charter of the Chinese Eastern Railway (printed, *ante*, as an annex to the Chinese Eastern Railway Agreement of September 8, 1896, No. 1896/5), dated February 5/17, 1899:

First Supplement to Charter of Chinese Eastern Railway.—February 17, 1899.

"1. In accordance with the treaty, entered upon on June 24 (July 6), 1898, by the Chinese Eastern Railway Company and the Chinese Imperial Government, this company is authorized to construct a branch line from one of the stations of the main line to the ports of Talien-wan and Port Arthur, situated on the Kuantung Peninsula, also to operate this branch which shall be named 'the Southern Manchurian Line,' of the Chinese Eastern Railway.

"2. By Imperial order of May 29 (June 10), 1898, the company is authorized to construct a commercial port on the Talien-wan Bay.

The Company is also authorized to exploit this port.

"3. According to the Imperial order of June 12 (24), 1898, the Chinese Eastern Railway Company is permitted to establish its own steamship service in the waters of the Pacific Ocean.

"This steamship service is for the purpose:

(*a*) of securing, during the construction of the Chinese Eastern Railway, the timely delivery of the necessary freight, materials and workmen, and thus cooperate in the successful course of the construction of this railway.

(*b*) during the exploitation of the Chinese Eastern Railway, of joining by means of steamship service the terminal points of the railway Vladivostok and Talien-wan (i. e., Dalny) with the principal ports of China, Japan, and Korea and thus securing regular and speedy transfer of passengers and freight, going from Russia and Western Europe to the Far East and back.

"Moreover, upon the refusal of Commercial Councillor Sheveleff to maintain from January 1 (13), 1900, regular steamship communication between the ports of the littoral, the Primorski District (the line of the Tartary Strait and that of Peter the Great), also between Vladivostok and the open ports of Korea, Japan and China, the duties and obligations of Commercial Councillor Sheveleff devolve upon the Chinese Eastern Railway Company, beginning with January 1 (13), 1900.

"The further determination as to the direction of the steamship lines is left to the Board of Directors of the Company upon approval of the Russian Minister of Finance.

"4. In order to facilitate the conveying of the necessary materials and provisions for the construction of the Southern Manchurian Line, the Company is authorized to establish branch lines to the port of Ind-tsi (Ying-tzu = Niuchwang) and other ports of the neutral zone with the proviso that, upon completion of the line and the establishment of regular traffic on the same, the branch lines to the above named ports should be destroyed by the Company, should the Chinese Government formulate that demand.

"5. The construction and exploitation of the Southern Manchurian Line and the branch lines mentioned in par. 4, as well as the construction and exploitation of the commercial port at Talien-wan (i. e., Dalny), also the establishment and exploitation of the steamship service, the Company is under obligation to run strictly according to the rules of its charter, and to the stipulations of the treaty concluded on June 24 (July 6), 1898, between the Company and the Imperial Chinese Government. However, no term is set to the exploitation by the Company of the steamship lines, as well as of the commercial port at Talien-wan, and the stipulations of par. 12 of the treaty of August 27 (Sept. 8), 1896, entered upon by the Russo-Chinese Bank and the Chinese Government with regard to the terms of purchase and the free transfer of the railway to the above named Government, do not extend to the Company with regard to the steamship lines and the commercial port.

"6. The baggage of passengers, as well as the merchandise sent through over one of

the branches of the railway from one of the Russian frontier stations to some part of the Liao-tung Peninsula leased by Russia, are not subject to any custom duties; they are likewise exempt of all taxes and interior dues. Merchandise sent by rail from the territory leased by Russia into the interior of China, as well as those brought from the interior of China to that territory, are subject to the payment of import and export duties of Chinese seaports without any increase or diminution of the same.

"7. The maximum of seaport duties to be collected in the commercial port of Talien-wan, as well as the maximum tariff for the carrying of passengers and freight on the steamships of the Company, as well as the supplementary payments to be made for their conveyance, are determined by the Russian Minister of Finance upon their being laid before him for approval by the Board of the Company. The amount of seaport dues, the tariff for transportation by sea and supplementary dues for the same within the limits of the above stated normal amounts determined by the Minister of Finance, are determined by the Board itself.

"8. For the purpose of covering the expenditures incurred by the construction of the Southern Manchurian Line and the commercial port at Talien-wan, and the establishment of steamship service in the waters of the Pacific Ocean, the Company is authorized to issue, according to its needs, upon conditions determined in paragraphs 11 and 12 of the Company's Charter sanctioned by Imperial Ukase of December 4 (16), 1896, supplementary obligations, and that part of the debenture capital which is destined specially for the needs of the port and the steamship service must have separate accounts and books from that of the railway.

"9. During the exploitation of the commercial port at Talien-wan as well as the exploitation of the steamship service organized by the Company for the waters of the Pacific Ocean, the Company must institute separate accounts and books from those of the railway as to the income and expenditure.

"Should the gross profit of the commercial port at Talien-wan and from the steamship service prove insufficient to cover the expense of their exploitation, make the annual payments on the debenture capital, specially appointed for the needs of these undertakings, as also to lay aside the obligatory amount of money for the amortization of the fund—the lacking sums may be obtained by the Company from the Russian Government through the Minister of Finance, the per cent to be paid on the guarantee for the debenture capital at the rate of 6 percent per annum, while all the other payments will be made to the Company upon conditions determined for each individual case by the Minister of Finance. The possible surplus of net profit, that may be left after the payment of all obligatory amounts and the deduction into the reserve fund of the remaining sum from the exploitation of the Talien-wan commercial port and the steamship service, shall be first of all used for the amortization of the debt to the Russian Government, incurred for the commercial port and the steamship service, and only in the years when the Company will have paid off all its debts, shall that surplus be added as a supplementary amount to the dividend falling to the shareholders.

"10. Should the Chinese Government deem it necessary to establish, with the consent of the Russian Government, a custom house at Talien-wan for the purpose of collecting the duty on merchandise exported and imported by rail from and to the part of the Liao-tung Peninsula, leased by Russia, the organization and administration of this custom house shall be entrusted to the Chinese Eastern Railway Company, which will collect the taxes in the capacity of an agent of and for the Chinese treasury, the expenditures for the maintenance of the same to be paid from its profits at a rate annually determined jointly by the company and the Chinese Government. The custom house shall be in the immediate custody of the central administration at Peking, accounts on its operations to be periodically presented to the same. The Chinese Government has the right to appoint a civilian official of Chinese nationality, who shall fill the post of Chinese Agent at that custom house.

"11. In all cases, overlooked in the supplement, the Company shall be ruled by corresponding regulations of the Company's Charter sanctioned by Imperial Ukase on December 4 (16), 1896, and those of the treaties of August 27 (September 8), 1896, and June 24 (July 6), 1898, concluded between the Chinese Government, the Russo-Chinese Bank, and the Board of the Company."

See also Article 6 of the Treaty of peace between Japan and Russia, September 5, 1905 (No. 1905/8, *post*), and the Treaty between Japan and China, December 22, 1905 (No. 1905/18, *post*) in regard to the transfer to Japan of that portion of the railway between Port Arthur and Chang-chun (Kuan-cheng-tzu).

NUMBER 1898/16.

CONGO FREE STATE AND CHINA.

Treaty conferring mutual most-favored-nation treatment.—July 10, 1898.*

Concerning the Treaty of Amity and Commerce between the Chinese Emperor and the Congo Free State, it is proposed that in accordance with the powers received, which are in form, a special Article shall be agreed upon mutually and promulgated without delay.

ART. I.—All privileges of person, property, and jurisdiction enjoyed by foreign nations under the Treaties concluded by China shall from henceforth be granted to the Congo Free State.

II.—It is agreed that Chinese subjects may at their pleasure proceed to the territory of the Congo Free State, and there sojourn or reside, and that they may buy and sell, retain possession or change ownership of, all species of property, movable or immovable. As regards trade, navigation, and industry, Chinese subjects shall have most-favoured-nation treatment.

In witness whereof the High Officers of both States have hereunto affixed their signatures and seals.

PEKING, *July 10, 1898.*

(L. S.) LI HUNG CHANG.
(L. S.) COMTE D'URSEL.

NUMBER 1898/17.

CHINA.

Steam Navigation inland: Regulations (amended), 1898: and Supplementary Rules thereunder.†—July 28, 1898.

STEAM NAVIGATION INLAND: REGULATIONS (AMENDED), 1898.

A.—REGISTRATION.

1.—The inland waters of China are hereby opened to all such steamers, Native or Foreign, as are specially registered for that trade at the Treaty ports.

* Translation from the French text, as reprinted in *Rockhill*, p. 467, from *B. & F. State Papers*, vol. 90, p. 956. French text printed also in *Customs*, Vol. II, p. 829; *Hertslet*, p. 240.

† Translation, as published by Chinese Maritime Customs, from the Chinese text. Printed also in *Hertslet*, pp. 721, 726.

In connection with these regulations see the Yangtze Regulations, 1898 (No. 1898/18, *post*); also the Additional Rules concerning inland steam navigation, Article X and Annex C to the British Commercial Treaty of September 5, 1902 (No. 1902/7, *post*), and Article VIII and Annexes 1 and 2 to the Japanese Commercial Treaty of October 8, 1903 (No. 1903/4, *post*).

They may proceed to and fro at will under the following Regulations, but they must confine their trade to the inland waters and must not proceed to places out of Chinese territory. The expression "inland waters" is used with similar meaning to that given for places in the interior (*nei-ti*) in the fourth Article of the Chefoo Convention.†

2.—Trading steamers, Native or Foreign, not being vessels of sea-going type, whether plying only in the waters of a Treaty port or going thence inland, are to be registered at the Custom House and there take out papers—showing respectively the owner's name and residence, name and type of steamer, number of crew, etc., etc.,—in addition to whatever national papers they are allowed or required by law to carry; such Customs papers are to be renewed annually and are to be surrendered on change of ownership or when the vessel ceases to ply. The fee for the first issue of Customs papers will be Tls. 10 and for each renewal Tls. 2.

3.—Such registered steamers may ply freely within the waters of the port without reporting their movements to the Customs, but if they go inland they must report both departure and return. No unregistered steamer will be allowed to ply inland.

4.—As regards exhibition of lights, prevention of collision, shipping of crews, and inspection of boilers and machinery, etc., all such steamers are to observe the Rules in force at the port they belong to. These Rules will be published by the Customs and printed on the vessel's Customs papers.

B.—Revenue.

5.—Dutiable cargo shipped under these Regulations at any Treaty port on a registered steamer for conveyance to the interior must be declared at the Custom House and pay on export such Duties as the Customs decide to be leviable. Dutiable cargo brought from inland to a Treaty port is to be in like manner dealt with by the Custom House there. As to the Duties to be paid by vessels belonging to Foreign merchants, they are to be in accordance with the Treaty Tariff.

6.—Cargo landed or shipped inland is to pay at the place of landing or shipment whatever Duty and Likin local Regulations call for. In dealing with the vessels of Foreign merchants a procedure analogous to what the Treaty Tariff calls for is to be followed.

7.—If such steamers have vessels in tow, they must bring to at whatever Likin stations the vessels towed are required to stop at, for inspection and for the respective cargoes of both vessels to be dealt with as local Rules prescribe. The Rules to be enforced on Foreign merchants must be in accordance with Treaty provisions and as well be published in full by the Customs. Steamers

† See *Hertslet*, p. 73. Hertslet notes (p. 721), however, that the reference should be not to Article IV but to Section III, § 4, in which it is provided that "The words 'nei ti,' inland, in the clause of Article VII of the Rules appended to the Tariff, regarding carriage of imports inland, and of native produce purchased inland, apply as much to places on the sea coasts and to river shores as to places in the interior not open to foreign trade; the Chinese Government having the right to make arrangements for the prevention of abuses thereat."

which have not special Customs papers are not permitted to tow vessels on the Yangtze.

8.—Offences inland, whether against revenue laws or affecting person or property, are to be dealt with by the local authorities of the district in the same way as if they were committed by their own people; but if the vessel concerned is Foreign-owned or the Chinese implicated is a Chinese employed on board such Foreign-owned vessel, the local authorities are to communicate with the nearest Commissioner of Customs, and the Commissioner, in turn, with the Consul, who may send a deputy to watch the proceedings. If the offender claims the status of a Foreigner, he is to be treated in the manner prescribed in the Treaties where Foreigners without passports are arrested, and sent to the proper Consul through the Commissioner of Customs at the nearest port.

9.—If any such steamer passes any inland station or Likin barrier that ought to be stopped at without stopping, or if any of the passengers, crew, etc., create trouble inland, the vessel may be fined or punished according to the station Regulations, and the Customs may cancel the vessel's papers and refuse permission for her to trade inland again.

In cases where Foreign-owned vessels are concerned, the merchant interested may elect to bring the whole case and the question of fine before a Joint Investigation Court, to be dealt with according to the Regulations for cases of fine and confiscation promulgated in the year 1868.

The above Rules are for the inauguration of steam traffic and suffice for the time being; if hereafter it is found that changes are necessary, they can be made from time to time as required.

PEKING, *28th July* 1898.

SUPPLEMENTARY RULES UNDER INLAND STEAM NAVIGATION REGULATIONS.

1.—Foreign goods going inland on steamers can either be taken with Transit Passes or by payment of Dues and Duties at the several stations passed *en route*, at the merchant's option. The vessels are not to be held in any way responsible for the terminal Duties on cargo, but it must not be landed clandestinely.

2.—Native goods leaving a Treaty port for the interior in a steamer must be declared at the proper Custom House and pay Export Duty according to the Regulation for outgoing cargo shipped in Native vessels. They will pay inland whatever Dues and Duties are payable by similar goods carried in Native vessels. If the goods declared are Native re-exports which have originally paid Export Duty at another port, they may be shipped free of Export Duty, but as regards inland Dues and Duties, are on the same footing as ordinary exports. The responsibility for any Duties payable on goods at place of destination, no matter where the vessel comes from, attaches to the cargo and not to the vessel, but the cargo must not be landed clandestinely.

3.—Native goods once regularly shipped on board a steamer in the interior are not later required to produce proof of payment of such local Duties as were leviable there before shipment, but they are liable for *en route* Duties.

On arrival at a Treaty port they will if for local Native consumption pay to the proper office the Duties paid on similar cargo carried in Native vessels. Outside this Duty the steamer is not to be held responsible for any Duty, Likin, contribution, or charge.

If the Native produce is intended for export, it may be brought from the interior either under a Transit Certificate issued on deposit of Bond, according to what are known as the Chinkiang Rules, or by paying Dues and Duties in accordance with Regulation *en route,* at the option of the merchant concerned, whether a Chinese or a Foreigner.

Goods brought from the interior merely for transhipment into a seagoing or river steamer are not liable to any Duty at the port except the Treaty Tariff Export Duties.

4.—All inland-going steamers are to pay Tonnage Dues once in four months, at the Treaty Tariff rate, at the port where registered. Towed Native boats are liable to such "*Ch'uan-liao*" as the Regulations provide for.

5.—Cargo shipped on Native boats to be towed by steamers is to be on the same footing as regards Duty payment as steamers' cargo.

6.—Steamers are not allowed to land cargo except at places ordinarily recognized as places of trade for Native vessels; in the event of their violating this rule, they will be dealt with as the Treaties provide in the case of vessels frequenting places not open to trade. Similarly, vessels on the registers for inland waters' trade carrying goods out of Chinese territory or jurisdiction will be liable to a fine not exceeding Tls. 200 for the first offence; for the second, the penalty will be abrogation of the right to carry on inland trade.

7.—The Customs at the Treaty ports will give Cargo Certificates detailing all the cargo shipped there under its cognizance. These Certificates will form the basis of Duty payment at way stations, and the vessels concerned, unless there is reason to suspect them of smuggling, will not be detained for rigid examination at each place, but will be released on payment of proper Duty.

Manifests of all cargo to be landed are to be handed in at the landing-places (in Chinese if the places are away from the Treaty ports).

8.—As regards the publication of the Rules and Regulations in force at the several places where Dues and Duties are payable, referred to in Rule 7, it is understood that the publication is to take place before the end of this Chinese year. In the meantime, if vessels do not stop at stations they will not be liable to any penalty for passing them, unless they are hailed to bring to by the station or one of its boats and disregard the summons.

9.—After the Regulations have been notified, the provincial authorities will appoint at each Treaty port a responsible officer, who will collect on provincial account the Dues and Duties prescribed in Articles 2 and 3 on goods going to or coming from inland waters and report the collection at stated intervals to his superiors. He will receive in one lump sum all the Dues and Duties a vessel lading for a certain destination is bound to pay at the various stations she will

pass on the way. The officer will give a Certificate of Receipt, presentation of which at the stations will exempt the goods from levy of Duty or vexatious examination.

The officer appointed will have an office in the vicinity of the Custom House and will work in concert with and under the guidance of the Commissioner. In case any question or difficulty arises, the Commissioner and the Superintendent of Customs will arrange it amicably; when a Foreigner is concerned, he has the option of having it dealt with under the Joint Investigation Rules.‡

These Supplementary Rules, like the Rules to which they are appended, are provisional, and liable to change as required.

September 1898.§

NUMBER 1898/18.

INTERNATIONAL AND CHINA.

Regulations governing trade on the Yangtze-kiang (with Yangtze Port Regulations).—August, 1898.*†

THE YANGTZE REGULATIONS, 1898.

ART. 1.—*Former Regulations rescinded.*—The Revised Regulations of Trade on the Yangtze-kiang (1862) having been amended and the substance of their provisions having been incorporated in the present Yangtze Regulations, the said Revised Regulations of Trade on the Yangtze-kiang are hereby abrogated, together with the Port and Customs Regulations thereon dependent.

ART. 2.—*Ports, Stages, and Passenger Stations.*—The merchant vessels of the Treaty Powers are authorised to trade on the Yangtze-kiang at the following Treaty ports:—

Chinkiang, Nanking, Wuhu, Kiukiang, Hankow, Shasi, Ichang, and Chungking:

* Text as published by order of the Inspector General of Customs. Printed also in *China, 1899, No. 1*, p. 252; *Rockhill*, p. 324; *Hertslet*, p. 723.

In connection with these regulations see also Inland waters steam navigation Regulations, July 28, 1898 (No. 1898/17, *ante*); Article 10 and Annex C of the British Commercial Treaty of September 5, 1902 (No. 1902/7, *post*); Article 8 and Annexes 1 and 2 of the Japanese Commercial Treaty of October 8, 1903 (No. 1903/4, *post*).

† In the official print published by the Maritime Customs, these regulations bear no indication of date save that of the year.

‡ Rules for joint investigation in cases of confiscation and fine by the custom-house authorities, signed at Peking, May 31, 1868 (See *Hertslet*, p. 655).

§ The date of these supplementary rules, as given in Chung Hua Fa Kuei Ta Ch'üan (published by Kuang I Shu Chü, Shanghai, 1913) is September 3, 1898.

and to land and ship goods in accordance with special regulations at the following non-Treaty ports:—

Tatung and Anking, in Anhwei; Hukow, in Kiangsi; Lukikow and Wusueh, in Hukwang.

Shipment or discharge of cargo at any other points on the river is prohibited, and any violation of the prohibition will be dealt with in accordance with the Treaty provisions applicable to clandestine trade along the coast; but passengers and their baggage may be landed and shipped at any of the regular passenger stations, at present consisting of—

Luchingchiang (Tungchow district), Tienhsingchiao (Taihsing district), Kiangyin, and Iching, in Kiangnan; Hwangtzekang, Hwangchow, Chinghokow (also known as Chinghonao), and Hsinti, in Hukwang:

passengers' baggage must not contain articles subject to Duty, and the presence of dutiable articles will render the whole liable to confiscation.

ART. 3.—*Three Classes of Vessels.*—Merchant vessels trading on the river are to be divided into three classes:—

1st class: sea-going vessels trading for the voyage up river beyond Chinkiang.

2nd class: river steamers running regularly between any of the river ports or Shanghai and any river port.

3rd class: small craft (lorchas, papicos, junks, etc.).

These three classes of vessels will be dealt with according to Treaty and the rules for the ports traded at.

ART. 4.—*Sea-going Vessels.*—Sea-going vessels trading no further up river than Chinkiang will be dealt with at Chinkiang in every respect like vessels trading at other coast ports; but sea-going vessels on a voyage further up river than Chinkiang become thereby vessels trading on the river of the first class set forth in the preceding Article: such merchantmen, whether steamers or sailing vessels, must deposit their Registers with the Consul, or, if, consularly unrepresented, with the Customs, at Shanghai, Woosung, or Chinkiang, where the Customs, on receipt of a consular application or a deposit of papers, will issue a certificate to the vessel, to be called the "Special River Pass," on which shall be entered the vessel's name, flag, registered tonnage, general cargo, and armament. The vessel may then proceed up river and at whatever Treaty ports she trades must report and clear, load and unload cargo, and pay Dues and Duties in the same manner as at other Treaty ports along the coast. On return to the port that issued it—Chinkiang, Woosung, or Shanghai—the "Special River Pass" is to be surrendered to the Customs, and the Customs, on having ascertained that all Dues and Duties have been paid and all other conditions satisfied, will then issue the Grand Chop to enable the vessel to procure her Register and proceed to sea.

ART. 5.—*River Steamers.*—Any steamer intended to trade regularly on the river may deposit her Register at the Consulate at Shanghai, or, if consularly unrepresented, at the Custom House, when the Customs, on the receipt of a consular application or on the deposit of the Register, will issue a certificate, on which shall be entered the vessel's name, flag, registered tonnage, and armament, to be called the "River Pass," that shall be valid during the current year: such "River Pass" must be renewed every year either at Shanghai, or at Hankow

or Ichang in the case of river steamers trading above those places and not returning to Shanghai.

River Pass steamers will report and clear, load and discharge, and pay Dues and Duties in accordance with the Customs Regulations of the port concerned; their Tonnage Dues are to be paid at the ports which issue or renew the River Pass (Shanghai, Hankow, or Ichang).

Infringement of River Port Regulations will be punished by the infliction of the penalties in force at other Treaty ports; for a second offence the River Pass may be cancelled and the steamer refused permission to trade thenceforward above Chinkiang.

Any steamer not provided with a River Pass if proceeding above Chinkiang will come under the rule affecting sea-going vessels laid down in Art. 4 and will be treated accordingly.

ART. 6.—*River Pass Steamers Cargo.*—The former regulation having been abrogated which made it obligatory to deposit Coast Trade Duties simultaneously with paying Export Duties, River Pass steamers will now pay Duties in the same way as vessels at other Treaty ports along the coast; that is, Export Duties at the port of departure before shipment of exports, and Import or Coast Trade Duties at the port of discharge before release of imports, and, similarly, they will ship, tranship, and discharge cargo after report, examination, and issue of Permit, in the same way as vessels at Treaty ports along the coast.

When Tea is landed by a River Pass steamer, the consignee, instead of paying Coast Trade Duty, may deposit a Bond for the amount: on proof of reshipment within a year the Bond will be cancelled. When reshipped Tea is relanded at another port—*e.g.,* reshipped at Hankow and relanded at Shanghai, —a new Bond will be required in lieu of Coast Trade Duty, to be cancelled on subsequent reshipment; and so on.

ART. 7.—*Small Craft* (*Lorchas, Papicos, Junks, etc.*) :—

(*a*) *Lorchas, etc.,* owned by Foreigners, if provided with Registers and entitled to fly national flags, are required to take out a Special River Pass either through the Consulate or from the Customs direct at Chinkiang if proceeding further up the river. They will report, work cargo, and pay Duties like other sea-going Special River Pass vessels.

(*b*) *Papicos, etc.,* owned by Foreigners, but not provided with Registers or entitled to fly national flags, are to take out Customs Registers at the port they belong to, and report, work cargo, and pay Duties in the same way as lorchas, etc.

(*c*) *Chinese junks* chartered by Foreigners are only available for conveying Foreign-owned cargo from Treaty port to Treaty port; they must take out special junk papers at the Customs, to be obtained in exchange for Bonds executed at and deposited with the Customs, the conditions of the Bond being that the cargoes are *bonâ fide* Foreign property and will be landed and pay Duty at a Treaty port and the penalty that if the cargoes fail to be so landed and pay Duty no chartered junk will thereafter be cleared for the Foreigner in question. Such junks to report, work cargo, and pay Duties in the same way as lorchas, papicos, etc.

ART. 8.—*Cargo Certificates.*—Special River Pass merchantmen, River Pass

steamers, and lorchas, papicos, and junks, etc., must apply to the Customs at the port of departure for a Cargo Certificate (*Tsung Tan*), which, on the vessel's arrival at the port of destination, must be handed in to the Customs before permission to discharge can be given. The vessel will be responsible for the Duties on all goods entered on the said Cargo Certificate and not landed on Permit at port of discharge.

ART. 9.—*Miscellaneous.*—Any trading vessel falling in with a revenue cruiser or Customs boat on the Yangtze-kiang is to produce her papers for inspection if examination of them is required. Vessels unprovided with proper papers will be dealt with under the Treaty Articles penalising clandestine trade along the coast.

The Customs may seal the hatches of any vessel trading on the Yangtze and may place Customs officers on board to accompany her on the trip, whether up stream or down.

Special River Pass vessels of the first class are not required to anchor to exhibit their papers at the intermediate ports passed and not traded at.

ART. 10.—*Yangtze Customs and Port Regulations.*—The adoption and promulgation of new Regulations for vessels trading on the Yangtze having rendered meaningless sundry Customs and Port Regulations which guided procedure under the former system, and having necessitated the substitution of fresh regulations and different practice under the system now introduced, the ports concerned (Shanghai, Chinkiang, Nanking, Wuhu, Kiukiang, Hankow, Shasi, Ichang, and Chungking) will proceed forthwith to arrange and publish new rules and regulations, and these are, on the one hand, to facilitate trade and, on the other, to protect revenue and prevent smuggling.

The above Regulations are open to revision when and if necessary.

CUSTOMS REGULATIONS FOR YANGTZE PORTS.

ALL Regulations hitherto existing, Port and Customs, having been declared abrogated and fresh Regulations and different practice having been thereby necessitated, the following Customs Rules, drawn up to give effect to the Yangtze Regulations of 1898, are now published for general information, and will be operative on and after the 1st day of April 1899.

I.—GENERAL.

1. **Anchorages.**—For the shipment and discharge of cargo vessels must take up the berths in the harbour assigned them by the Harbour Master.

The harbour limits of the port are:—

(*To be entered by each port.*)

Cargo-boats, sampans, etc., are forbidden to approach incoming vessels before they are properly moored.

2. **Cargo-boats.**—Cargo-boats must be registered at the Custom House, and their numbers conspicuously painted on them in English and Chinese.

3. **Working cargo.**—The landing and shipment of cargo or ballast can only take place between sunrise and sunset, and cannot go on without special permission on Sundays or holidays.

Cargo landed or shipped without a Permit is liable to confiscation.

4. **Shut-out cargo.**—Cargo for which a Shipment Permit has been issued but which cannot be received on board must be reported and await Customs examination before being relanded.

5. **Imports to be discharged before loading exports.**—River Pass steamers excepted, merchant vessels must complete the discharge of import cargo before commencing to receive on board exports.

Foreign Opium.—Foreign Opium must be landed into the Customs Opium Godown.

Munitions of War.—Munitions of War cannot be landed until a Munitions Special Permit from the Customs has been obtained.

Invoices.—In the case of Foreign goods from abroad to pay Duty at a river port the importer may produce his *bonâ fide* invoice; if the invoice does not include freight and insurance, 10 *per cent.* will be added on to the invoice value in the case of goods paying *ad valorem* Duty, but the Customs reserve the right not to accept invoices as a statement.

Through Cargo.—Through cargo from Ichang to Shanghai and *vice versâ* may be applied for at Hankow to be transhipped *en bloc.*

Exemption and Duty-paid Certificates, etc.—Exemption and Duty-paid Certificates, etc., should be presented to the Customs simultaneously with the consignee's Application for Discharge Permits.

6. **Exports.**—Goods for export must in all cases be brought to the Customs Jetty, or, in specially allowed cases, to godowns approved by the Customs, or to hulks, and will be examined by the Customs upon the receipt of Application for Shipment Permit giving all necessary particulars—destination, denomination, number of packages, marks, numbers, weight, value, etc.—and made out in Chinese and English. Godowns with examined export cargo may be locked by the Customs and, similarly, the hatches of cargo-boats with such goods may be sealed, and the merchandise must not be removed until after payment of Duty and issue of Permit. After examination a Customs Memo. will be issued, and upon the production of the bank receipt for the Duty the Shipment Permit will be granted (*i.e.,* the Shipping Order will be stamped).

7. **Duties (Shanghai practice).**—Cargo from or to river ports being now required to pay Duties in the same manner as at coast ports—*i.e.,* Export Duty before shipment and Import or Coast Trade Duty at the port of discharge before release,—the following changes in local procedure are necessitated at *Shanghai*:—

(*a*) *Imports from River Ports.*—Import Applications for Discharge Permits will be required in all cases and goods will be examined. Goods of Chinese origin will pay Coast Trade Duty if provided with Duty-paid Certificates, and will also lodge a full Export Duty if without such Certificates; Foreign goods, unless covered by an Exemption Certificate, will pay Import Duty.

Re-export Certificates for imports reshipped after arrival will no longer be required or issued for return to original port.

(*b*) *Exports to River Ports.*—Chinese goods will pay Export Duty before shipment and Coast Trade Duty at port of arrival, and will go forward under cover of a Duty-paid Certificate.

(*c*) *Re-exports to River Ports* will be treated in the same manner as re-exports to coast ports; that is, Chinese goods will be granted Coast Trade Duty Drawbacks and go forward under Duty Proof, paying Coast Trade Duty at port of re-entry. Foreign goods may, at applicant's option, go forward under Exemption Certificate, or apply for Drawback and pay Import Duty at destination.

Applications to re-export should be made out on the usual re-export form, and applicants must be careful to state what document is required (*e.g.,* Exemption Certificate, Drawback, etc.).

(*d*) *Transhipments.*—Goods intended for transhipment at Shanghai if from river ports should be so described on the Export Application at the port of shipment; failing such description, they will be liable to examination and payment of Duty at Shanghai. Imports from abroad for transhipment to river ports must be applied for on *Transhipment Application* form. Goods originally declared for Shanghai, but the destination of which, either before or on arrival of the goods at Shanghai, it is subsequently desired to change, must be applied for on a *Transhipment Application* form, or they will be subjected to examination and payment of Duty.

Transhipments must in all cases take place within five days after arrival of importing vessel, otherwise the goods concerned will be treated as imports. All goods in course of transhipment are liable to examination if required by the Customs.

8. **Tea Bonds.**—When Tea is landed by a River Pass steamer, the consignee, instead of paying Coast Trade Duty, may deposit a Bond for the amount: on proof of reshipment within a year the Bond will be cancelled; if not re-exported within that period the amount of Coast Trade Duty named in the Bond will be collected. When reshipped Tea is relanded at another port—*e.g.,* reshipped at Hankow and relanded at Shanghai,—a new Bond may be tendered in lieu of Coast Trade Duty, to be cancelled on subsequent reshipment; and so on. Bonds ought to be handed in for cancellation not later than one week after the shipment.

II.—Sea-going Vessels.

N.B.—Two classes of sea-going vessels visit Chinkiang, viz., those which do, and those which do not, pass on up river. The first follow coast port rules; the second, Yangtze Regulations.

9. (a.) **Chinkiang procedure.**—Sea-going vessels, Ningpo boats, lorchas, and such-like craft, together with steamers not provided with a River Pass, must be reported by the Consul, or lodge their papers with the Customs if they have no Consul, on arrival at Chinkiang, and must deliver to the Customs a manifest of the cargo on board (together with the Tonnage Dues and Cargo Certificates if they have them), after which the Permit to Open Hatches will be issued.

Sea-going vessels trading no further up river than Chinkiang will be dealt

with at Chinkiang in every respect like vessels trading at other coast ports—*i.e.*, the landing and shipment of cargo in accordance with the Customs Regulations having been completed, all Dues and Duties having been paid, and the manifest of the export cargo having been handed to the Customs; the Customs Clearance will be issued, upon which the vessel may receive back her papers and clear at the Consulate.

In the case of vessels arriving at Chinkiang from sea and, after working cargo there, about to proceed to a port further up river, the landing and shipment of cargo having been completed, all Dues and Duties having been paid, and a manifest of the cargo placed on board at Chinkiang having been handed to the Customs, the Customs Clearance and Cargo Certificates will be issued, and upon the application of the consul who holds the ship's papers, or of the master in the event of the papers having been lodged with the Customs, the ship's hatches will be sealed and a " Special River Pass " will be granted, upon which the vessel may leave the anchorage on her voyage up the river; if the ship's papers held by Consul or lodged at Customs are merely the " Special River Pass," issued at Shanghai or Woosung, that document ought to be *viséd* by the Customs before departure. On the return to port from up river of vessels holding their " Special River Pass," from the Chinkiang Customs, the Clearances issued by the up-river Custom Houses, together with a manifest of the cargo on board, must be handed in to the Chinkiang Customs, when, upon the surrender of the " Special River Pass," the final Customs Clearance (Chinkiang Grand Chop) will be issued, and the vessel will be at liberty to receive back her papers and proceed to sea. " Special River Pass " vessels from Shanghai or Woosung will similarly surrender the same papers there.

10. **(b.) Up-river port procedure.**—On arrival at ports on the river above Chinkiang vessels provided with the " Special River Pass " shall lodge that document with the Consul or, where there is no Consul, with the Customs. Upon receipt of Consular Report or " Special River Pass," together with a manifest of the import cargo (which should be accompanied by Tonnage Dues and Cargo Certificates), the Permit to Open Hatches will be issued, and on consignees applying, specifying on their Applications, in Chinese and English, the nature of the goods, the number of packages, with marks and numbers, weight, value, etc., Permits will be issued authorising the discharge of consignments—

(*a*) into registered cargo-boats, which must repair to the Customs Jetty for examination, after which Duty Memos. will be issued and, on payment of Duty, Release Permits will be granted authorising the landing of the goods (*i.e.*, the bills of lading will be stamped); or

(*b*) under approved guarantee into cargo-boats, godowns, or hulks, where they will be examined by the Customs, after which Duty Memos. will be issued and when Duty is paid, Release Permits granted.

11. **Up-river Customs Clearance.**—The landing and shipment of cargo having been completed and all Dues and Duties having been paid, a manifest of the export cargo must be handed to the Customs before 3 P. M. The Customs Clearance will then be issued, on which the vessel may apply for the return of the " Special River Pass " and proceed. The Customs will be at liberty to seal the

hatches and place Customs officers on board to accompany vessels up or down river.

N.B.—The Customs Clearance or Grand Chop is simply a receipt for Dues and Duties, on the exhibition of which the Treaties entitle vessels to recover the papers deposited at the Consulate. It is the Consular Clearance, and not the Customs Grand Chop, that specifies the port to which a vessel is to go and constitutes her Port Clearance.

III.—River Pass Steamers.

12. **Chinkiang and up-river procedure.**—Steamers plying under the "River Pass" on arrival at a port, whether bound up or down river, shall exhibit that document to the Customs.

13. **River Pass steamer imports.**—River Pass steamers having on board cargo to be discharged shall deliver the Cargo Certificate for the port concerned and which was issued at the port of shipment, together with the inward manifest signed by the master and the Tonnage Dues Certificate, to the Customs, whereupon consignees of import cargo may hand in Applications containing all necessary particulars, and submit their consignments to Customs examination; after payment of Duties they will be granted Release Permits. For the discharge of a river steamer's total manifested cargo into registered cargo-boats, hulks, and godowns, a General Transhipment Permit can be obtained on complying with the special rules therewith connected. No cargo shall leave cargo-boats, hulks, or godowns without a Permit. Merchandise arriving in excess of the quantity noted in the Cargo Certificate or manifest is liable to confiscation. The importing vessel will be held responsible for the Duties of all goods entered on the Cargo Certificate and not landed.

14. **River Pass steamer exports.**—Goods for shipment by River Pass steamers must be reported for examination, pay Duties, and take out Shipment Permits in just the same way as goods for shipment by other vessels.

15. **Customs Clearance.**—River Pass steamers neither landing nor shipping cargo may proceed on their voyage after the inspection of the River Pass by the Customs. Steamers with cargo to land or ship are to hand the export manifest to the Customs when they have completed landing and shipment; the Cargo Certificates will then be issued and the River Pass and Tonnage Dues Certificate returned to the master; the steamer may then proceed on her voyage.

IV.—Small Craft (Lorchas, Papicos, Chartered Junks, etc.).

16. **Lorchas, etc.**—Small craft (lorchas, papicos, junks, etc) owned or chartered by Foreigners will be treated in accordance with the Yangtze Regulations of 1898. They are to take up the berths assigned in the proper anchorage, and report, work cargo, and pay Duties, etc., like sea-going Special River Pass vessels. Chartered junks are only available for carrying Foreign-owned cargo from Treaty port to Treaty port, and must take out special papers at the Customs in exchange for properly executed Bonds.

17. **Steam-launches.**—All steam-launches, etc., must be registered at the

Custom House. The fee for first issue of Customs papers is *Hk.* Tls. 10 and for each annual renewal *Hk.* Tls. 2.

V.—Additional.

18. **Office hours.**—The office will be open for the transaction of general business from 10 A.M. to 4 P.M., Sundays and holidays excepted. All export manifests and Applications for cargo to be shipped by steamers clearing the same day should be in the office by 3 P.M. All communications regarding Customs business should be addressed to the Commissioner of Customs.

The above regulations are open to revision when and if necessary.

.....
Commissioner of Customs.

Custom House,

.....,.....*189...*

NUMBER 1898/19.

FRANCE AND GREAT BRITAIN.

Exchange of notes respecting the reciprocal protection of trademarks in China.—August 29, 1898.*

(1).—*M. Goeffray to the Marquess of Salisbury.*

London, April 20, 1898.

M. le Marquis,

Your Lordship is not unaware that the arrangement effected in 1895 between the French and English Governments, with a view to assuring the reciprocal protection, in Morocco, of French trade-marks regularly registered in England, and of English marks regularly registered in France, has brought about the most satisfactory results in repressing counterfeits in the States of His Shereefian Majesty.

In view of this fortunate result, my Government, deeming that it would be of use to make a new application of the principle of mutual assurance thus consecrated in the notes exchanged in 1894 between France and England at Tangier, has instructed me to inquire of Your Lordship whether the Government of His Britannic Majesty would not be disposed to conclude a new arrangement, which in this case would be directed towards assuring the reciprocal protection, in China, of French and English marks, on the same conditions upon which the

* (1) Translated from French text, as printed in *Hertslet*, p. 585; (2) text as there printed.

agreement concerning Morocco was drawn up. If so, M. Hanotaux considers that the arrangement to be reached could take the form of an exchange of notes between the British Cabinet and the Ambassador of the Republic in London: and he is glad to believe that Your Lordship will prove conscious of the usefulness which such an agreement would possess, at a time when China, whose legislation assures no serious protection to trade-marks, is opening its markets more widely to the products of European industry.

I should be greatly obliged if Your Lordship would be so good as to advise me what action seems possible to you in reference to the present communication.

I venture to take this occasion to recall to Your Lordship the overtures that the French Ambassador made to the British Cabinet, under date of May 14, 1896, with a view to arriving at an arrangement of the same character in regard to the Ottoman Empire.

Accept, &c.

(Sgd.) GEOFFRAY.

(2).—*Mr. Balfour to M. Geoffray.*

SIR, *Foreign Office, August 29, 1898.*

In your note of the 20th of April last you conveyed to the Marquess of Salisbury the wish of the French Government to enter into an arrangement with this country for the mutual protection of trade-marks in China similar to that concluded in Morocco between Great Britain and France in the year 1895.

I have the honour to inform you that it has been necessary, before a definite answer could be sent to you, to consult the Board of Trade, and the Law Officers of the Crown, which has led to some delay.

I have now, however, the pleasure of stating that Her Majesty's Government are prepared to enter into an arrangement such as you propose for the protection of the trade-marks of the two countries in China, which will enable French nationals to obtain protection in the British Consular Courts by registering their marks in this country in cases in which they can be properly registered under English law, and at the same time obtain for British nationals who register their marks in France the protection of the French Consular Courts.

The necessary steps are being taken for the issue of an Order in Council to give effect to such an arrangement.

I have, &c.

A. J. BALFOUR.

NUMBER 1898/20.

GREAT BRITAIN (British and Chinese Corporation, Ltd.) AND CHINA.

Shanhaikuan-Newchwang Railway Loan Agreement.—October 10, 1898.*

This Agreement is made between his Excellency Hü, Governor of Peking, as Administrator-General of the Railways of North China within and without Shan-hai-kuan, acting under the authority of the Imperial Chinese Government, hereinafter called the "Administrator-General," of the one part, and the Hong Kong and Shanghae Banking Corporation, for themselves and on behalf of the British firm of Jardine, Matheson, and Co., representing as joint agents the British and Chinese Corporation (Limited), hereinafter called the "Corporation," of the other part:

Whereas, on the 7th day of June, 1898, being the 19th day of the 4th month of the 24th year of the Emperor Kuang-Hsü, a preliminary Agreement was signed at Peking † between the Administrator-General and the Hong Kong and Shanghae Banking Corporation, representing a British Syndicate, for a sterling loan for the equivalent of about 16,000,000 taels for the construction of a railway line from Chung-hou-so to Hsin-ming-t'ing and a branch line to Ying-tzu, and for the redemption of existing loans made to the Tien-tsin–Shan-hai-kuan and Tien-tsin–Lukouchiao Railway lines; and

Whereas in terms of the preliminary Agreement a period of three months from its date was allowed to the Syndicate to accept or decline its conditions; and

Whereas the Hong Kong and Shanghae Banking Corporation, before the expiration of the period named, duly notified the Administrator-General that it is prepared, with certain modifications, to arrange the issue of the loan upon the conditions named in the preliminary Agreement:

It is now agreed as follows:—

1.—The Corporation agrees to issue on behalf of the Administrator-General a sterling loan for the amount of 2,300,000*l.*, the proceeds of which are to be applied in the order following:—

(1.)—To the redemption forthwith or at maturity of the loans and advances specified in the statement attached to this Agreement which have been made by foreign banks to the Tien-tsin-Shan-hai-kuan and the Tien-tsin-Lukouchiao Railway lines.‡ The Administrator-General hereby certifies that the total amount of the liabilities due by the lines named does not exceed the sum of 3,000,000 taels.

* Text as reprinted in *Rockhill*, p. 322, from *China (1899), No. 2*, p. 29. Printed also in *F. E. Review*, vol. 5, p. 132; *Kent*, p. 205; *Wang*, p. 93.

In connection with this agreement see also the Agreement for the transfer of the Peking-Shanhaikuan Railway to the Chinese Civil Administration, and the Additional Agreement respecting the management of the northern railways, April 29, 1902 (No. 1902/4, *post*); and Agreement concerning the Peking-Mukden Railway, March 25, 1908 (No. 1908/5, *post*).

The Shanhaikuan-Newchwang Railway constitutes a portion of the line formerly known as the Imperial Railways of North China, and more recently as the Peking-Mukden or Ching-Feng Railway.

† See Note 1 to this document, *post*, p. 179.

‡ See Note 2 to this document, *post*, p. 181.

(2.) To the carrying out within a period of three years from the date of this Agreement of certain improvements and additions to rolling-stock on the existing lines between Peking and Shan-hai-kuan, recommended by the European Chief Engineer, and estimated by him to cost about 1,500,000 taels.

(3.) To the construction of a railway line from Chung-hou-so to Hsin-ming-t'ing, and one from a point on that line near Shih-san-chan to Ying-tzu, and of a branch line from Nu-erh-ho to the collieries of Nan P'iao.§

The Administrator-General engages that the construction of the new lines here specified shall be completed within a period of three years from the date of this Agreement.

2.—In the event of the proceeds of this loan being insufficient for the completion of the new lines here specified, the Administrator-General will provide or will arrange with the Imperial Government of China to provide funds from other sources sufficient to complete their construction.

3.—This loan shall be a first charge upon the security of the permanent way, rolling-stock, and entire property, with the freight and earnings of the existing lines between Peking and Shan-hai-kuan, and on the freights and earnings of the new lines when constructed. The Administrator-General shall, during the continuance of this loan, maintain the railway buildings, works, rolling-stock, and dependencies in good order and condition, and shall increase the rolling-stock from time to time to such extent as shall be necessary for the requirements of the traffic.

Should it be decided hereafter to construct branch lines or extensions connecting with the lines herein named, their construction shall be undertaken by the Railway Administration, and should the funds of the Railway Administration be insufficient for that purpose, it shall apply to the Corporation for the same.

4.—The principal and interest of this loan are guaranteed by the Imperial Government of China, and in the event of default in payment of interest or repayment of principal at due date, the Corporation shall immediately notify the Imperial Government of China thereof, and the Imperial Government of China will thereupon provide the funds necessary to meet such payment in sterling in London. In the event of the Imperial Government of China being unable to provide the funds necessary to meet a payment of interest or principal when called upon by the Corporation to do so in terms of this clause, the said railway lines and the entire property shall thereupon be handed over to representatives deputed by the Corporation to manage, on their behalf, until principal and interest of the loan have been redeemed in full, when the management will revert to the Railway Administration. It is provided that should arrears of interest or principal be for a small sum, and it appear desirable to the Corporation to extend the due date of their payment for a term not exceeding three months, it shall be open to the Corporation to do so.

This arrangement, which differs from other contracts in that the Administrator-General retains control of the railway lines so long as the principal and interest of this loan are regularly paid, has been agreed to in consequence of

§ See Note 3 to this document, *post*, p. 181.

the friendly relations which have long existed between the Contracting Parties.

5.—No further loan shall be charged upon the security named above, except through the Corporation, until this loan is redeemed, and the Tsung-li Yamên will hand to the British Minister in Peking a written undertaking on behalf of the Imperial Government of China that the railway lines named in this Agreement shall never be alienated or parted with.

6.—During the currency of this loan the Chief Engineer of the railways shall be a British subject. The principal members of the railway staff shall be capable and experienced Europeans, who shall be, as at present, appointed by the Administrator-General of the Railways, and may be, in the event of their misconduct or incompetency, dismissed after consultation with the Chief Engineer.

If there are Chinese with sufficient engineering or traffic experience they may be appointed as well as Europeans.

Should it be necessary to appoint a new Chief Engineer, such appointment shall be made in consultation with the Corporation.

In addition to the above, a capable and efficient European Railway Accountant shall be appointed, with full powers to organize and direct the keeping of the railway accounts, and to act with the Administrator-General and the Chief Engineer of the railway in the supervision of receipts and expenditure.

7.—The railway lines named in this Agreement being Imperial Chinese Government lines, in the event of war or famine, Chinese Government troops and grain may be transported over the lines free.

8.—All receipts and earnings of the lines herein specified shall be paid into the credit of the Railway Administration with the Hong Kong and Shanghae Banking Corporation, Tien-tsin, together with 50,000 taels annually, payable under the Board of Revenue's arrangement approved by the Throne, by each of the Provinces of Shansi, Shensi, Honan, and Anhui, for railway purposes for ten years.

All expenses of working and maintaining the lines will be paid from their receipts and earnings, the remainder of which, together with the provincial funds above named, shall then be charged with the service of this loan. Payments of interest and repayments of principal shall be made in equal monthly instalments, and in accordance with amounts and dates of a yearly Schedule, which will be furnished to the Administrator-General by the Bank. These payments shall be made by the Administrator-General to the Hong Kong and Shanghae Banking Corporation, Tien-tsin, in Kungp'ing sycee sufficient to provide the sterling amount due to the bondholders in terms of the prospectus of the loan, the rate of exchange for these payments being fixed by that Bank as each such payment becomes due. In reimbursement of expenses incurred in connection with the distribution of the service to the bondholders of the principal and interest of the loan, the Hong Kong and Shanghae Banking Corporation, Tien-tsin, shall receive from the Railway Administration a commission of ¼ per cent. on the annual loan service, which will be included in the yearly Schedule for the same.

9.—The term of the loan shall be forty-five years, and, subject to the modification mentioned hereinafter, repayment of principal shall be made, so far as

regards the bondholders, in forty equal annual instalments, commencing with the sixth year.

10.—Interest on the loan shall be charged at the rate of 5 per cent. per annum on the nominal principal, and shall be calculated on the balance of such principal at any time outstanding, payments of interest being made by the Administrator-General in accordance with the amounts and dates specified in the yearly Schedule to be provided.

11.—The loan will be redeemed by annual drawings in London as provided for in the prospectus. Besides the drawings as provided for, the Administrator-General may, on giving three months' notice to the Corporation, call for extra drawings to be held, for any amount. Bonds so drawn to be redeemed by the Railway Administration at 20 per cent. premium on their par value. Any such extra drawings must take place on the date of the ordinary drawing provided by the prospectus.

In the event of such extra drawings taking place, subsequent payments of interest will be adjusted in the yearly Schedule to be provided, but repayments of principal shall continue unaltered in terms of clause 9 of this Agreement until the loan is redeemed.

The Imperial Government of China hereby engages that this loan shall not be redeemed or converted otherwise than as herein provided.

12.—The price agreed upon for this loan is 90 per cent. net of the nominal principal, but should an unfavourable state of the market prevail at the time of issuing the prospectus, the Corporation is hereby authorized to reduce the price of the loan, at its own discretion, to not less than 88 per cent. net to the Railway Administration.

13.—The Corporation are hereby authorized to issue to subscribers to the loan bonds for the total amount of the loan in pounds sterling, in such form and for such amounts as shall appear desirable to the Corporation, and the Minister for China in London will seal all such bonds with his official seal, as evidence that the Imperial Government of China is bound thereby. Each such bond shall bear the following clause:—

"The Imperial Government of China, pursuant to an Imperial Edict, dated ———, unconditionally guarantees and declares itself responsible for the payment of the principal moneys and interest hereby secured, and in faith thereof it has specially authorized the Chinese Minister in London to seal this bond with his official seal."

14.—All bonds and coupons and payments made and received in connection with this loan shall be exempt from Chinese taxes and imposts for ever.

15.—All details necessary for the prospectus and connected with the service to the bondholders of the interest and repayment of principal of this loan, not herein explicitly provided for, shall be left to the arrangement of the Corporation, who are hereby authorized to issue a prospectus of the loan as soon as possible after the signing of this Agreement.

The Tsung-li Yamên will instruct the Chinese Minister in London to co-operate with the Corporation in any matters requiring conjoint action.

16.—The loan shall be issued to the public as soon as possible after the

signing of this Agreement, and shall date from the first day of the month of its issue. Payment of the entire proceeds will be made in London to the order of the Administrator-General not later than the 31st day of March, 1899; of the above proceeds, the Corporation will advance to the order of the Administrator-General in London, on or before the 31st day of October next, the sum of 250,000*l.*; this advance will bear interest at the rate of 5½ per cent. per annum until such time as the first instalment of the loan proceeds shall be available, when it shall be deducted from those proceeds by the Corporation.

17.—In the event of an unfavourable state of the market rendering the issue of this loan, and the payment of its proceeds to the Railway Administration impossible on the terms named without loss to the Corporation, the Corporation shall be granted such extension of time for the performance of its contract with the Administrator-General as the circumstances demand, any advances or instalments of proceeds already made to the Railway Administration being in that case treated as regards payment of interest, repayment of principal, security, and Imperial Chinese Government guarantee in terms of this present Agreement, and as forming part of the principal amount of this loan. Similar extension of time for the issue of this loan and payment of its proceeds shall also be granted in the event of the Deutsch-Asiatische Bank, Berlin, objecting to its issue before the month of April next, in accordance with the terms of clause 9 of the Agreement for the Chinese Imperial Government 4½ per Cent. Sterling Loan of 1898.‖

18.—Immediately after the signature of this Agreement, and before the issue of the prospectus of the loan to the public, the Administrator-General will memorialize the Throne and obtain an Imperial Edict confirming and sanctioning the provisions of this Agreement, the Imperial Edict so received being then communicated officially and without delay by the Tsung-li Yamên to the British Minister in Peking.

19.—The Corporation may, subject to all its obligations, transfer or delegate all or any of its rights, powers, and discretions, to any British Company, Directors, or Agents, in consultation with the Administrator-General, with or without power of further transfer and sub-delegation.

20.—This Agreement is executed in quadruplicate in English and Chinese, one copy to be retained by the Administrator-General, one by the Tsung-li Yamên, one by the British Minister in Peking, and one by the Corporation. Should any doubt arise as to the interpretation of the contract, the English text shall be accepted as the standard.

SIGNED AT PEKING by the Contracting parties this twenty fifth day of the eighth month of the twenty fourth year of the Emperor Kuang-hsu, being the tenth day of October eighteen hundred and ninety eight Western Calendar.

For the Hong Kong and Shanghae Banking Corporation

(*sgd.*) E. G. Hillier,

Agent,

Attorney for the British and Chinese Corporation Limited.

(*Chinese Signatures.*)

‖ No. 1898/3, *ante.*

AMORTIZATION TABLE.*

£2,300,000 LOAN @ 5%.

Showing Repayments of Capital by Instalments.

Year	Date	Total capital repaid to date	Capital payments	Interest payments	Total payments
		£	£	£	£
1902	Feb. 1			57,500	57,500
	Aug. 1			57,500	57,500
1903	Feb. 1			57,500	57,500
	Aug. 1			57,500	57,500
1904	Feb. 1			57,500	57,500
	Aug. 1			57,500	57,500
1905	Feb. 1			57,500	57,500
	Aug. 1	57,500	57,500	57,500	115,000
1906	Feb. 1			56,063	56,063
	Aug. 1	115,000	57,500	56,063	113,563
1907	Feb. 1			54,625	54,625
	Aug. 1	172,500	57,500	54,625	112,125
1908	Feb. 1			53,188	53,188
	Aug. 1	230,000	57,500	53,188	110,688
1909	Feb. 1			51,750	51,750
	Aug. 1	287,500	57,500	51,750	109,250
1910	Feb. 1			50,313	50,313
	Aug. 1	345,000	57,500	50,313	107,813
1911	Feb. 1			48,875	48,875
	Aug. 1	402,500	57,500	48,875	106,375
1912	Feb. 1			47,438	47,438
	Aug. 1	460,000	57,500	47,438	104,938
1913	Feb. 1			46,000	46,000
	Aug. 1	517,500	57,500	46,000	103,500
1914	Feb. 1			44,563	44,563
	Aug. 1	575,000	57,500	44,563	102,063
1915	Feb. 1			43,125	43,125
	Aug. 1	632,500	57,500	43,125	100,625
1916	Feb. 1			41,688	41,688
	Aug. 1	690,000	57,500	41,688	99,188
1917	Feb. 1			40,250	40,250
	Aug. 1	474,500	57,500	40,250	97,750
1918	Feb. 1			38,813	38,813
	Aug. 1	805,000	57,500	38,813	96,313
1919	Feb. 1			37,375	37,375
	Aug. 1	862,500	57,500	37,375	94,875
1920	Feb. 1			35,938	35,938
	Aug. 1	920,000	57,500	35,938	93,438
1921	Feb. 1			34,500	34,500
	Aug. 1	977,500	57,500	34,500	92,000
1922	Feb. 1			33,063	33,063
	Aug. 1	1,035,000	57,500	33,063	90,563
1923	Feb. 1			31,625	31,625
	Aug. 1	1,092,500	57,500	31,625	89,125
1924	Feb. 1			30,188	30,188
	Aug. 1	1,150,000	57,500	30,188	87,688
1925	Feb. 1			28,750	28,750
	Aug. 1	1,207,500	57,500	28,750	86,250
1926	Feb. 1			27,313	27,313
	Aug. 1	1,265,000	57,500	27,313	84,813
1927	Feb. 1			25,875	25,875
	Aug. 1	1,322,500	57,500	25,875	83,375
1928	Feb. 1			24,438	24,438
	Aug. 1	1,380,000	57,500	24,438	81,938

* This table is reproduced from that printed in *Wang*, p. 110.

Year	Date	Total capital repaid to date	Capital payments	Interest payments	Total payments
		£	£	£	£
1929	Feb. 1			23,000	23,000
	Aug. 1	1,437,500	57,500	23,000	80,500
1930	Feb. 1			21,563	21,563
	Aug. 1	1,495,000	57,500	21,563	79,063
1931	Feb. 1			20,125	20,125
	Aug. 1	1,552,500	57,500	20,125	77,625
1932	Feb. 1			18,688	18,688
	Aug. 1	1,610,000	57,500	18,688	76,188
1933	Feb. 1			17,250	17,250
	Aug. 1	1,667,500	57,500	17,250	74,750
1934	Feb. 1			15,813	15,813
	Aug. 1	1,725,000	57,500	15,813	73,313
1935	Feb. 1			14,375	14,375
	Aug. 1	1,782,500	57,500	14,375	71,875
1936	Feb. 1			12,938	12,938
	Aug. 1	1,840,000	57,500	12,938	70,438
1937	Feb. 1			11,500	11,500
	Aug. 1	1,897,500	57,500	11,500	69,000
1938	Feb. 1			10,063	10,063
	Aug. 1	1,955,000	57,500	10,063	67,563
1939	Feb. 1			8,625	8,625
	Aug. 1	2,012,500	57,500	8,625	66,125
1940	Feb. 1			7,188	7,188
	Aug. 1	2,070,000	57,500	7,188	64,688
1941	Feb. 1			5,750	5,750
	Aug. 1	2,127,500	57,500	5,750	63,250
1942	Feb. 1			4,313	4,313
	Aug. 1	2,185,000	57,500	4,313	61,813
1943	Feb. 1			2,875	2,875
	Aug. 1	2,242,500	57,500	2,875	60,375
1944	Feb. 1			1,438	1,438
	Aug. 1	2,300,000	57,500	1,438	58,938
		2,300,000	2,300,000	2,702,520	5,002,520

Note 1.

The text of this preliminary agreement is reprinted in *Rockhill*, p. 317, from *China, 1899, No. 2*, p. 4, as follows:

Preliminary Loan Agreement for Peking-Newchwang Railway, June 7, 1898.

"This is a preliminary Agreement made between His Excellency Hu, Governor of Peking and Administrator-General of the Imperial Railways of North China within and without the Great Wall, hereinafter called the Administrator-General, of the one part; and the Hong Kong and Shanghae Banking Corporation representing a British Syndicate hereinafter called the Syndicate, of the other part.

"1.—The Syndicate is hereby authorized by the Administrator-General to make arrangements to float and issue, on behalf of the Railway administration on the best terms obtainable on the market, a sterling loan for the equivalent of about (16,000,000 taels), for the construction of a railway-line from Chung-hou-sou to Hsin-ming-ting, and a branch line to Ying-tzu, and for the redemption of existing loans to the Tien-tsin-Shan-hai-kuan and Tien-tsin-Lu-kou-chiao lines.

"2.—The security for the loan shall be the permanent way, rolling-stock, and entire property, together with the freight and earnings of the existing lines between Peking, Tien-tsin, Tang-ku, and Chung-hou-sou, and also of the proposed new lines when constructed, in

addition to the rights of mining coal and iron, which will be retained by the Railway administration on each side of the proposed new lines, for a distance to be determined. In the event of default or arrears in payment of interest or repayments of principal, the said railway lines and mines shall be handed over to representatives deputed by the Syndicate, to manage them on their behalf, until principal and interest of the loan are redeemed in full, when the management will revert to the Railway Administration.

"It will, however, be provided that if such arrears are for a small sum, and it appears desirable to the Syndicate to extend the due date of their payment for a term not exceeding three months, it shall be open to the Syndicate to do so.

"In the event of any special circumstances arising necessitating the introduction of important changes by the management aforesaid, these changes shall be effected in consultation with the Administrator-General, and in the best interests of the railway. In the case of war or famine, troops and grain will be transported over the lines on terms to be arranged hereafter.

"No further loan, charge, or mortgage shall be charged on the security named above until this loan is redeemed.

"3.—During the currency of their loan, the principal members of the railway staff shall be capable and experienced Europeans who shall be, as at present, appointed by the Administrator-General of the Railway, and may be, in the event of their misconduct or incompetency, dismissed, after consultation with the Chief Engineer. If there are Chinese with sufficient engineering or traffic experience, they may be appointed as well as Europeans. Should it be necessary to appoint a new Chief Engineer, such appointment shall be made in consultation with the Syndicate.

"In addition to above, a capable and experienced European railway accountant shall be appointed to inspect all the accounts of the railways.

"All receipts and earnings of the lines herein specified shall be paid into the credit of the Railway Administration with the Hong Kong and Shanghae Banking Corporation, Tientsin, together with 50,000 taels annually payable under the Board of Revenue's arrangement, approved by the Throne, by each of the Provinces of Shansi, Shensi, Honan, and Anhui for railway purposes for ten years.

"All expenses of repairing and maintaining lines will be paid from this account, the remainder of which shall then be charged with the service of this loan.

"4.—The rate of interest, price, term of years, and other particulars shall be left to the Syndicate to arrange on the best terms possible on the market when the moment appears favourable for floating the loan. Instalments of proceeds will be arranged as far as possible to suit the progress of construction and the requirements of the Administrator-General, interest being calculated from the date of such payments. The Loan will be redeemable by annual drawings to be scheduled in the final Agreement. Besides the drawings so scheduled, the Administrator-General may from time to time, on giving due notification to the Syndicate, call for extra drawings to be held, bonds so drawn being redeemed by the Railway Administration at 20 per cent. premium on their par value.

"5.—If it should be found that the Loan cannot be floated without the introduction of some special attraction, the Administrator-General shall memorialize the Throne, recommending that a Concession of mining rights be granted to the Syndicate at a point or points on the lines, and on terms to be arranged with the Syndicate on the basis of the mining Regulations newly established by the Tsung-li Yamên. The requests of the Syndicate will be confined to mines within a distance of 5 *li* of the railway.

"6.—The date of issue of this loan shall be left to the discretion of the Syndicate, to be fixed in accordance with the state of the market, but should it be found impossible to issue it before the 1st day of October next, the Syndicate will arrange to advance to the Administrator-General on or about that date, an instalment of about 2,000,000 taels on account of, and repayable out of the proceeds of the loan when floated. The terms of this advance shall be left to the arrangement of the Syndicate on the best terms obtainable, interest not to exceed the rate of 5½ per cent. per annum, and the Syndicate shall be authorized to issue temporary bonds for the amount if required.

"7.—For the satisfaction of the investing public who are unacquainted with China, a satisfactory report will be required from District Engineer, Mr. J. Ginnell, as to the condition and earning power of the old lines, and as to the route, prospects, and mineral wealth of the new lines to be constructed, and Mr. Ginnell shall be instructed by the Administrator-General to proceed to London as soon as possible after the signing of this preliminary Agreement, to confer with the Syndicate on these matters.

"8.—The terms of this preliminary Agreement will, immediately after signature, be submitted by the Administrator-General to the Throne for sanction by Imperial Edict, which shall be officially communicated by the Tsung-li Yamên to the British Minister in Peking.

"9.—Three months from the date of signature of this preliminary Agreement shall be allowed to the Syndicate to accept or decline its terms. Upon their confirmation by the Syndicate, this preliminary Agreement shall be replaced by a definitive Agreement, providing for all details.

"Signed at Peking, this 7th day of June, 1898, being the 19th day of the 4th moon of the 24th year of the Emperor Kuang Hsü.

"(Seal of Administrator-General of Railways within and without the Shan-hai-kuan boundary.)

"For the Hong Kong and Shanghae Banking Corporation,

"(*Signed*) E. G. HILLIER, *Agent.*"

Note 2.

This statement is given in *Wang*, p. 109, as follows:

STATEMENT of loans and advances by Foreign Banks to the Imperial Railways Administration to be redeemed in terms of this Contract.

"BY THE HONGKONG AND SHANGHAI BANKING CORPORATION

2nd Nov. 1894 to Shanhaikuan section	Hongping	Tls. 200,000.
23rd Oct. 1896 to Lukouchiao section	"	Tls. 400,000.
8th June 1897 to Lukouchiao section	Kuping	Tls. 300,000.
8th June 1897 to Railway Bonds	"	Tls. 140,000.
	"	Tls. 30,000.
3rd Dec. 1897 to Peking section	"	Tls. 200,000.

"BY THE RUSSO-CHINESE BANK

One due January 1900	Hongping	Tls. 200,000.
One repayable by monthly Instalments of Tls. 10,000. commencing 1898	"	Tls. 400,000.

"BY THE DEUTSCH-ASIATISCHE BANK

One due Spring 1899 £90,000 say	Hongping	Tls. 700,000.

"Due to JARDINE, MATHESON AND CO. Tientsin Tls. 240,000."

Note 3.

The agreement for a concession for the operation of the Nan-P'iao mines was concluded on October 10, 1898, in terms reprinted in *Rockhill*, p. 328, from *China, 1899, No. 2*, p. 40, as follows:

Agreement for Concession for Nan-P'iao Mines.—October 10, 1898.

"This is an Agreement between his Excellency Hu, Governor of Peking, Administrator-General of the railways of North China, within and without Shan-hai-kuan, hereinafter called the 'Administrator-General,' of the one part, and the Hong Kong and Shanghae Banking Corporation, for themselves and on behalf of the British firm of Jardine, Matheson, and Co., representing as joint agents the British and Chinese Corporation (Limited), hereinafter called the 'Corporation,' of the other part.

"1.—The Administrator-General having purchased the coal mines known as Shang P'iao, Chung P'iao, and Hsia P'iao, at Nan P'iao, in the district of Ch'ao Yang, now enters into an Agreement with the Corporation to operate the same on joint account. Any other mines in the neighbourhood of the above, or the railway line between Nu-erh-ho and Nan P'iao, and between Nan P'iao and Chinchou that may subsequently be acquired by purchase or otherwise by the Administrator-General, shall also come under the terms of this Agreement for operation either on joint account or by the Corporation alone, it being always provided that all operations under the terms of this Agreement are optional to the Corporation, and subject to a favourable report from its Mining Engineer.

"2.—The Corporation shall send its own Mining Engineer as soon as possible to examine the property acquired, and will indicate, after consultation with the Administrator-General and the Chief Engineer of the Railway Administration, the points at which it is desirable to sink shaft and commence operations. The Mining Engineer of the Corporation will also make a survey of the whole area above named, with a view to the extension of operations, and on the receipt of his Report upon the same, the Administrator-General will take immediate steps for the purchase of the necessary property at the points recommended in the Report. No compulsion shall be used in the purchase of such property if the owner refuses to part with it, but in such case it will be arranged that the Administrator-General shall have the first refusal thereafter.

"3.—An estimated capital of 1,000,000 Kung-p'ing taels for the opening and working of the mines shall be provided in equal shares by the Administrator-General and the Corporation, either by private subscription, the public issue of script, or in such other manner as

each party may deem necessary in its own interests. Of the estimated capital of 1,000,000 taels the sum of 125,000 taels shall be deposited by the Corporation at the Hong Kong and Shanghae Bank, London, in £ sterling not later than the 30th November, 1898, and the sum of 125,000 taels shall be deposited by the Administrator-General at the Tien-tsin branch of the same bank on or before the same date. The balance of the estimated capital, namely, 750,000 taels, shall be similarly provided in equal shares by each party not later than the 30th November, 1899. All such deposits shall be held by the bank to the order of the Corporation for the purchase of plant and the opening and working of the mines. Should an increase of capital be found necessary later on, it shall be similarly provided in equal shares by the Administrator-General and the Corporation.

"4.—The construction of the branch line from Nu-erh-ho to the Nan P'iao collieries will be carried out by the Administrator-General in terms of his Agreement with the Corporation for the Shan-hai-kuan-Newchwang main line and dependencies.

"5.—All matters of exploitation, administration, employés, and finances shall be undertaken by the Corporation in co-operation with the Administrator-General of Railways.

"6.—The mines shall have one foreign Manager, appointed by the Corporation, and one Chinese Manager, appointed by the Administrator-General; the foreign Manager will control the works, and the Chinese Manager will attend to all questions between natives and foreigners.

"Accounts shall be kept on the foreign system by an European Accountant.

"All receipts and payments of money will be controlled by the foreign Manager, and audited by the Chinese Manager.

"Chinese shall be employed in the mines as much as possible, and where aptitude is shown, opportunity will be given to Chinese to fit themselves for posts of responsibility.

"7.—The royalty and taxes to be paid by the mines are restricted to the following:—

(1.) To the Taotai of Jehol an annual fee of 15 taels.

(2.) To the Imperial Government of China a royalty of 5 per cent. of the output of coal, or its value, at the pit's mouth.

(3.) To the Mongolian Chief of the district a commuted payment of 1,500 taels per annum.

(4.) Duty payable by the Shang, Chung, and Hsia P'iao mines, amounting to a total sum of 790 taels per annum.

"8.—Machinery and materials required for the use of the mines shall pay one customs duty and a-half on importation, in accordance with the Regulations of the Kaiping mines, and shall thereafter be free from all *li-kin* or other imposts whatever. The products of the mines when exported from a seaport, shall pay export duty according to the Customs Tariff on the produce of Chinese Government mines.

"9.—The Railway Administration agrees to carry over its lines the output of the mines at rates not exceeding a basis of 720 big cash per ton from Nan P'iao to Nu-erh-ho up to a monthly tonnage of 30,000 tons, anything above that quantity to be carried at 25 per cent. discount on this Tariff, and 10 big cash per ton per mile on the main lines. These rates include conveyance of the coal from the junction of colliery sidings to the Mining Company's yard at Yingkou, the filling and discharge of cars being done by the Mining Company. These rates may be modified from time to time by arrangement between the Administrator-General, the Chief Engineer of the Railways, and the Corporation; cases of dispute shall be referred to an arbitrator to be agreed upon by the parties concerned, and so far as they refer to the handling of coal at the mines, wharves, docks, &c., the rules of the Kaiping mines shall be taken as a precedent.

"10.—In consideration of the special transport rates given by the Railway Administration to the Mining Company, that Company will provide fuel to the railway at the following rates:—

(1.) Best hand-picked lump coal for locomotives, 4,000 big cash, free in cars, per ton at colliery.

(2.) Ordinary lump coal for stationary boilers, &c., 3,000 big cash, free in cars, per ton at colliery.

(3.) Small coal for kilns and tank heating, 2,200 big cash, free in cars, per ton at colliery.

(4.) Best coke, 8,000 big cash, free in cars, per ton at colliery.

Other qualities to be arranged on the above basis of charges, as may be from time to time necessary.

"11.—In matters of compensation to miners for injuries, of limit of working hours, &c., the Corporation shall be guided by European and American Mining Regulations bearing on these questions, so far as these are applicable.

"12.—Should the Corporation desire to issue a prospectus for the mines and invite subscriptions from the public at any time, the Administrator-General will grant his official seal to such documents as may be necessary for the ratification to the public of the Corporation's rights.

"13.—Wherever it shall be necessary to construct roads, bridges or accessories necessary for the working of the mines, or for the transport of their produce, the Corporation

will notify the Administrator-General, who shall thereupon make prompt arrangements with the local officials to facilitate the carrying out of the same.

"14.—At the end of every half-year, an account of profit and loss, signed by the foreign and Chinese Managers, shall be rendered to the Administrator-General. All the working expenses of the mines, deterioration of plant, salaries of Europeans and Chinese staff, the royalty and taxes on output, customs import and export dues, and disbursements of every nature shall be placed to the debit of this account, the net balance of which, if a profit shall be shared equally by the Administrator-General and the Corporation, if a loss, will fall equally on both parties.

"15.—Immediately after the signature of this Agreement the Administrator-General will memorialize the Throne, and obtain an Imperial Edict confirming and sanctioning the provisions of this Agreement.

The Imperial Edict so received will be then communicated officially and without delay by the Tsung-li Yamên to the British Minister at Peking, that he may take the usual steps with regard to commercial undertakings.

"16.—This Agreement is executed in quadruplicate, in English and Chinese, one copy to be retained by the Administrator-General, one by the Tsung-li Yamên, one by the British Minister at Peking, and one by the Corporation. Should any doubt arise as to the interpretation of the contract the English text shall be accepted as the standard.

"Signed at Peking by the Contracting Parties this twenty-fifth day of the eighth month of the twenty-fourth year of the Emperor Kuang Hsü, being the tenth day of October, one thousand eight hundred and ninety-eight, Western Calendar.

(Seal of the Railway Administration.)

"(For the Hong Kong and Shanghae Banking Corporation.)

"(Signed) E. G. Hillier,

"Agent, Attorney for the British and Chinese Corporation (Limited.)"

Consult the Agreement of March 25, 1908 (No. 1908/5, *post*) in regard to the abandonment of this project.

NUMBER 1899/1.

GREAT BRITAIN (Mr. Pritchard Morgan) AND CHINA (Hua Yi Company and Hui Tung Company).

Regulations for the working of mines in Szechuan, under Chinese and foreign direction.—April 14, 1899.*

1.—The Szechuan Mining Bureau establishes the Hua Yi Company, by whom an Agreement is drawn up with the Hui Tung Company that the work is to be done by Chinese and foreigners conjointly to their mutual benefit. Profits are to be divided proportionately, so as to avoid trouble and disputes.

Both Companies shall obey all the Regulations mentioned in the Agreement and the existing Rules memorialized and adopted by the head office.

2.—The Hua Yi Company is to subscribe a sum of 1,000,000 taels for the purchase of land. This must be Chinese and not foreign money.

This Company is to buy and own all mining lands and carry out all negotiations. The Hui Tung Company have no interest in the prices of land, whether dear or cheap, nor with the amount of capital spent or reserved. When the Hua Yi Company has bought the land and obtained the right to open mines, the same is to be handed over to the Hui Tung Company for working. In the Hui Tung

* Text as reprinted in *Rockhill*, p. 348, from *China, 1900, No. 1*, p. 135. Printed also in the *F. E. Review*, vol. 11, p. 32. See also *China, 1899, No. 1, passim.*

Company there are foreign merchants; they are not to be allowed to buy mining property from any other Chinese, so as to avoid all complications.

3.—The Hui Tung Company, with a Chinese Managing Director and a foreign Assistant Director, is to prepare a working capital of 10,000,000 taels, to be formed first of 50 per cent. Chinese shares and next 50 per cent. of foreign shares.

Shareholders of all nationalities are allowed to take shares out of the 50 per cent. allotted to foreigners. There can be no monopoly for any one country. Now Mr. Morgan, an English merchant, has taken shares, and undertakes to assist in carrying out the work. Shareholders of all other nationalities who should hereafter take shares will be supplied with share certificates, paid dividends, and refunded capital according to the number of shares they take. Should any other country also start a Company on the same lines, with both Chinese and foreign shareholders, the mines of the one Company will have to be kept distinct from those of the other. Different Prefectures and districts will be granted to each Company to work in, and their proceedings should be regularly reported to the head office, but the Rules and Regulations of this Agreement must, however, be complied with by all to prevent any unfairness. Any Company composed of foreign shareholders only and no Chinese shareholders shall not be allowed to work any mines.

4.—The Hui Tung Company is to send out mining engineers to find out what mines are worth opening. This Company is then to consult with the Hua Yi Company to make maps and insert explanations, and submit the same to the Mining Bureau of Szechuan. If these mines are not already being worked by officials, gentry, or merchants, and if they are not injurious to the place, land is to be at once bought; such land is only to be enough for the shafts and the necessary buildings. If the lands belong to the people, the lease or purchase shall be made by the Hua Yi Company by arrangement with the owners for a reasonable price. It can also be taken as a subscription of capital, and a proportionate value of shares granted to the owner. If it be public property, such as a monastery, temple, &c., the owners have the option of leasing it, renting it, or subscribing it as capital. The Hui Tung Company must wait till land is properly purchased before starting work, and no compulsory purchase or seizure of the land will be allowed.

5.—After each mining property is bought by the Hua Yi Company, it is to be handed over to the Hui Tung Company for working. From the mines worked by the Hui Tung Company, such as coal, iron, petroleum, &c., the Hua Yi Company is allowed to collect rent at the rate of 5 per cent. on the value of the output, no matter whether such mines make money or not. To reckon the producing capacity and the prices of products, whether dear or cheap, the rent is to be paid on the real price at which the Hui Tung Company sells the products. The value must not be underestimated, and any undue advantage gained. With regard to gold sand obtained from gold mines, a rent of 5 per cent. will be charged on the pure gold obtained after the gold sand has been thoroughly washed, but not on the sand before it has been washed.

6.—Of the mines worked by the Hui Tung Company, such as coal, iron,

petroleum, &c., there shall be paid to the Chinese Government, as producer's tax, 5 per cent. on the value of the output of the mines. Export duty shall be paid according to the existing Rules now in force. The Szechuan Mining Bureau shall authorize the Hua Yi Company to collect the producer's tax and to compare the same with the rent, and thus there will be no difference or shortage. No officer shall be deputed for this purpose, so as to save unnecessary expense. The export duty is to be collected by the custom-house, and after the export duty is paid, no inland *li-kin* dues will be required. As regards the taxes to be charged on precious metals of all kinds, they are to be decided by the Board of Revenue.

7.—The Hui Tung Company is to send engineers to find out all the mines that are to be opened and to consult with the Hua Yi Company, which submits the same for the approval of the Mining Bureau. Should a mine be found in a Government hill, the opening of which will not be injurious to the place, permission will be granted to open it. The ordinary land tax on such land would, however, be too small a sum for the Company to pay the Government for its use. In the case of Government land, therefore, the 5 per cent. rent and the 5 per cent. producer's tax are to be collected at the same time, and both paid to the Chinese Government; but 10 per cent. of the rent is to be reserved to pay the expenses of the Mining Bureau and the Hua Yi Company. The Hui Tung Company is to pay the export duty.

8.—The area of Szechuan is very extensive, and all sorts of mines exist. Chinese who work on their own property are only required to obtain the necessary permission, pay the necessary taxes, according to the Rules in force, and they are in no way restrained. But if foreign merchants undertake to work the mines, their operations must be limited in some way or other. They must confine themselves to certain intendancies, prefectures, or districts, and not take the whole province as their sphere of work. Now work must be started in the interior first, and at the boundaries afterwards. The Hui Tung Company shall then send engineers to find out first where are mines to be opened and what mines they are: if the same be in districts apportioned to savages, the Hui Tung Company must wait till they find out whether the advantage will be greater than the injury, and devise other means to open them. The Hui Tung Company in such event cannot compel the Hua Yi Company to buy the land quickly and hand it over for working. Any possible cause of disturbance must be avoided.

9.—When prospecting for mines, if any boring or sinking of shafts be necessary to examine mineral deposits, an arrangement should first be made by the Hua Yi Company with the land-owner for the Hui Tung Company to compensate him according to market prices for any crops, &c., injured. After the mines are opened, should there be any damage to life or buildings caused by landslips or subsidence in the mines, the Hui Tung Company shall make charitable compensation. If after mines are opened cemeteries or mortuary shrines are met with, some plan must be devised to avoid them if the owners do not like to remove them for money given; no excavation will be allowed. In excavating, as long as the galleries dug below the ground are not injurious to the soil above,

rascals are not to be allowed to obstruct the work on the grounds that it is injurious to "Fêng Shui." Local authorities must be applied to for protection. The Hui Tung Company is not, however, allowed to claim compensation on these grounds in case it cannot succeed.

10.—Whenever it may be necessary to make roads, build bridges, open or deepen rivers, erect sheds, make tools, or other necessaries for mining purposes, and land is required for such purposes, the Hua Yi Company is to buy the land and the Hui Tung Company to pay for it. If water power is required for machinery, and enormous work is done on it, no other person is allowed to make use of it. If branch railways have to be constructed in order to connect the mines with the usual trade routes, a thorough survey must be made of the proposed lines and maps drawn with explanations attached. These must be submitted to the Mining Bureau, which will forward them to the Szechuan Viceroy and head office at Peking for record and sanction. Nothing of the kind should be undertaken without such sanction. If telegraphs and telephones are wanted for connecting the various mines, the same are to be submitted to the Mining Bureau for approval.

11.—The Hua Yi Company is to deal with all matters of negotiation, and the collection of rent and taxes; the Hui Tung Company to superintend and work all mines. Each has its own sphere of work, but each Company may inquire into the other's affairs. A Chinese Manager and a foreign Manager should be appointed for each mining work, whose salaries shall be paid by the Hui Tung Company. The majority of the overseers should be Chinese, and all the miners natives of the province. All are to receive adequate wages, and further Rules must be made on this subject by the Hua Yi and Hui Tung Companies. Later on, the Mining Bureau should instruct the Company to select for important positions any Chinese who may have become proficient in mining engineering. They are to be treated the same as foreigners, to encourage improvement.

12.—On opening the mines, the Hui Tung Company shall establish a School of Mining and Railway Engineering in some locality convenient to the mines, and there shall be selected twenty or thirty promising youths by the local officials and gentry to study in this school, under foreign instructors, and be thus prepared for future employment on railways and in mines.

13.—At places where mines are opened, the Mining Bureau should apply to the local authorities for protection. Such mines should also obey their rules, and enrol volunteers to guard against thieves, &c. If the natives should enrol themselves as volunteers of their own accord to protect the localities, the Hui Tung Company should also subscribe towards their expenses.

14.—The Mining Bureau, acting as intermediary between the superiors and subordinates, is to attend to all negotiations between natives and foreigners and matters of protection. The work involved, as well as the expenses, will be great. The Hui Tung Company should therefore start work within three months after the signing of this Agreement, and pay the Mining Bureau the sum of 100 taels per month for its working expenses for each mine, reckoning from the day when work is started. There will be no other charges besides this. If work be not started after six months this Agreement is considered cancelled, and

the Hua Yi Company will be at liberty to invite other merchants to take up the work.† It will be no concern of the Hui Tung Company.

15.—The Hui Tung Company shall work all the mines according to the existing Rules adopted by the head office. After paying the producer's tax and the export duty, if there should be a profit by the annual accounts, there shall first be paid 6 per cent. interest on the capital employed, next 10 per cent. of the remainder of the profit shall be set aside as a sinking fund for the yearly repayment of capital and consequent reduction of interest, payments to sinking fund ceasing when the invested capital is wholly repaid, and from the remaining net profit 25 per cent. shall be paid to the Chinese Government, and the remainder shall go to the Hui Tung Company for its own disposition.

16.—The Hui Tung Company is to open not one mine, but a large number. The accounts and profits of each mine must be kept distinct from the others; the gains of one mine should not be made to offset the losses of another, and so cause the Government income to suffer reduction.

17.—At the end of every year, the Hui Tung Company shall make up distinct accounts of the different mines, whether profitable or not, and the same must be audited by the foreign and Chinese Managers, and when found correct, a printed account of profit and loss shall be rendered by each mine to the Mining Bureau for approval. A general account of profit and loss for all the mines shall then be prepared and submitted to the head office at Peking, the Board of Revenue, and the Viceroy of Szechuan for audit. Payments due to the Government shall be remitted at the same time. The report shall show the real amount of money due to the Government in order to avoid all discrepancies in the accounts. The Chinese Government and the Hua Yi Company are not to be held responsible in case of loss.

18.—The Hui Tung Company is to have control of all the mines opened by them for a period of fifty years, reckoning from the date on which each mine is opened, on expiration of which term all the mines, whether profitable or not, shall, with all plant, machinery, materials, buildings, roads, and all property acquired by the capital of the mines, be handed over gratis to the Chinese Government without asking for compensation, and in due time the Mining Bureau of Szechuan shall report to the head office at Peking, and the Viceroy of Szechuan shall send Deputies to take delivery of the same. The land rented by the Hua Yi Company shall be handed back to the original owners.

19.—The Hui Tung Company being formed of Chinese and foreign shares shall, at its own choice, sell and buy its shares according to the fluctuation of the market rates. If the Hua Yi Company, or any Chinese gentry or merchants, shall, within the said term of fifty years, acquire three-fourths of all the shares in the Hui Tung Company, the mines may then be taken over from the Hui Tung Company, and the Mining Bureau shall report upon the same and direct the said shareholders (merchants) to take charge of the mines.

20.—Should any mines opened on land bought by the Hua Yi Company and handed over to the Hui Tung Company, be stopped on account of no profits

† Although it is understood that no work has yet been undertaken, it appears that as recently as 1915 there was some discussion of a payment by the Chinese Government to the assigns of Mr. Morgan in liquidation of the rights accruing under these regulations.

being made, and the rent cease to be paid, then the Hua Yi Company has the option of adopting other means to open such mines, or use the land for any other business. This, of course, is to prevent the money spent on the land from being wasted, and, consequently, has nothing to do with the Hui Tung Company.

21.—If the Hui Tung Company sends out engineers who discover certain mines in certain places, and report the same to be rich, but cannot guarantee the same, and it is exceedingly difficult to purchase the necessary land for working such mines, the Hui Tung Company should in such cases pay the purchase-money for the land to the Hua Yi Company, who shall have the said land purchased and handed over for working. This will prevent the purchase-money being wasted. If a mine is discovered in the land purchased, the price paid for the land will be repaid to the Hui Tung Company by deducting the rent of 5 per cent. until the whole purchase-money is paid off, when the Hua Yi Company shall again collect the rent of 5 per cent. as usual. Should there be no mine in the land purchased, no rent shall be payable to the Hua Yi Company, and the Hui Tung Company, being unable to recover the purchase-money, shall not deduct the same, with interest, from any other mine. This is agreed to by both parties, and a further guarantee will be given at the time.

22.—All machinery, materials, and supplies needed for the mines opened by the Hui Tung Company shall, on importation, be subject to the Rules in force for the Kaiping and other Mining Companies, and pay one full duty and one-half duty to the Maritime Customs, and shall be exempt from all inland *li-kin* dues.

23.—These mines being under the sovereignty of China, should China ever be at war with another country, the said Company shall obey the orders of the Chinese Government, and grant no aid to the enemy.

24.—The Hua Yi Company and the Hui Tung Company shall obey all Rules and Regulations adopted and memorialized by the head office, even if the same be not stipulated in this Agreement.

25.—This Agreement, with Regulations agreed upon, shall be made out both in Chinese and English, in eight copies, to be signed by Director Li Tai Ching, of the Hua Yi Company, and Foreign Assistant Director Morgan and Chinese Assistant Director Liu Hsio Shun, of the Hui Tung Company, and to be sealed by the seal of the Mining Bureau of Szechuan. One copy each of this Agreement is to be sent to the Mining and Railway Board at Peking, the Tsung-li Yamên, the Board of Revenue, the Viceroy of Szechuan, and the Treasurer of Szechuan, for reference. Of the remaining three copies, the Szechuan Mining Bureau, the Hua Yi Company, and the Hui Tung Company are to keep one each as proof. If there be any mistakes in the translation, the Chinese text shall hold good.

Signed this 14th day of April, 1899.

NUMBER 1899/2.

GERMANY AND CHINA.

*Agreement concerning the establishment of a maritime customs office at Tsingtao (together with (A) an Agreement concerning inland waters steam navigation, April 17, 1904; (B) an Amendment to the agreement, December 1, 1905; (C) an Ordinance regulating procedure in customs matters in the Kiaochow Territory, December 2, 1905; and (D) an Ordinance concerning manufactures in the German territory, April 17, 1907.) *—April 17th, 1899.*

1.—The Commissioner or the Chief of the Maritime Customs Office at Tsingtao is to be of German nationality. The Inspector General of Customs will come to an understanding with the German Legation at Peking in case of appointing a new Commissioner.

2.—The members of the European staff of the Maritime Customs Office at Tsingtao shall, as a rule, be of German nationality; in case, however, of a suddenly occurring vacancy or of temporary requirements of the service, members of other nationalities may be provisionally sent to Tsingtao.

3.—The Inspector General of Maritime Customs will inform the Governor of Kiaochow beforehand about all changes in the staff of the Customs Office at Tsingtao; this, however, does not apply to the employés of the Chinese staff.

4.—All correspondence between the Customs Office at Tsingtao and the German Authorities and German merchants shall be conducted in the German language. Should, however, merchants of other nationalities come to reside at Tsingtao, they shall be at liberty to correspond in their language; correspondence in Chinese shall be likewise permitted.

5.—On merchandise brought by sea to Tsingtao no import duty shall be levied. Import duty according to existing Treaties shall be levied by the Maritime Customs Office on all merchandise or products passing the German frontier of Kiaochow into the interior of China.

The German Authorities agree to take suitable measures to assist as far as it is possible in the prevention of merchandise passing the German frontier when not provided with a Permit or Pass by the Maritime Customs Office.

6.—When Chinese merchandise or products brought from the interior of China into the German territory of Kiaochow are shipped from Tsingtao to other places, they will pay the export duty according to existing Treaties. Produce raised in, and merchandise manufactured from produce raised in or imported by sea, into the German territory of Kiaochow shall pay no export duty. The duty to be paid by articles manufactured in the German territory from materials brought there from the interior of China will be settled later.

* Texts as printed in *Customs*, Vol. II, pp. 215, 219, 221, 225, 237.

In connection with these agreements, see the Convention for the lease of Kiaochow, March 6, 1898 (No. 1898/4, *ante*), and the Agreement between Japan and China concerning the reopening of the Maritime Customs office at Tsingtao, August 6, 1915 (No. 1915/12, *post*).

The Tsingtao customs-house was opened on July 1, 1899.

7.—Chinese merchandise or products brought from Chinese treaty ports to Tsingtao shall pay no duty as long as they remain inside German territory; but if these Chinese merchandise or products pass the German frontier into the interior of China, they shall pay according to existing treaties.

8.—Chinese merchandise shipped from Tsingtao, and having paid accordingly export duty, shall be provided with a receipt, on the producing of which it shall pay, on being landed at a Chinese treaty port, a coast trade duty according to existing treaties.

9.—For European and other non-Chinese merchandise, on being shipped to Tsingtao from a Chinese treaty port, the import duty paid at the latter port shall be refunded by drawback according to Article 26 of the German-Chinese Treaty of 1861. On being imported to Tsingtao such merchandise shall pay no duty, so long as it does not pass the German frontier into the interior of China. On being re-exported from Tsingtao to other places outside China, such merchandise shall pay no export duty.

10.—Chinese merchandise or products having been shipped from a Chinese treaty port to Tsingtao and re-shipped from there to places outside China, shall on this occasion pay no export duty, in case that documentary evidence is produced of their having paid export duty at the treaty port from which they came.

11.—The Maritime Customs Office at Tsingtao shall take no part in the collection or administration of tonnage dues, lighthouse dues, or port dues.

the same duties and taxes (*likin*) which are levied on opium in Chinese treaty

13.—The Maritime Customs agrees to levy on all opium brought to Tsingtao

12.—The Customs tariff in vigour in the Chinese treaty ports shall be applied likewise by the Maritime Customs Office at Tsingtao.

ports. The duties and taxes collected on opium which enters into consumption inside the German territory shall be collected by the Maritime Customs for account of the German Government, and be paid over to the latter at certain intervals, to be fixed at convenience.

14.—The Government of Kiaochow agrees to set apart for the Maritime Customs Office sufficient space at Tsingtao for building offices, lodgings for the staff, with suitable room for garden, stables, and servants quarters. The amount to be paid for the sale or lease of such ground is to be settled locally by mutual agreement.

15.—The Chief of the Customs Office and the members of the staff shall be free from any obligation to act as jurors or assessors or from any other personal services.

16.—The Maritime Customs Office at Tsingtao, as designated in the above Articles, shall take charge of the collection of duties, taxes, or *likin* on all Chinese-built vessels (junks) coming to Tsingtao or to other places in the bay of Kiaochow and on all merchandise brought in such vessels. The duties, taxes, and other charges collected from Chinese-built vessels or from merchandise brought by them to Tsingtao shall not exceed the charges which have hitherto been levied from such vessels and such merchandise at Tsingtao or in other places of the bay of Kiaochow. Should at any time the charges levied on Chinese-built vessels and on merchandise brought by them at other ports in the province of

Shantung be less in amount than such charges in the bay of Kiaochow, the latter shall be reduced to the amount levied in those other ports.

17.—The aforesaid Maritime Customs Office at Tsingtao shall be charged likewise exclusively with the granting and issuing of transit passes for merchandise going into the interior of China, as well as for merchandise coming from the interior of China to Tsingtao; and this office will be charged as well with all and every function, right, or capacity which appertain in the treaty ports to the so-called Chinese Customs Taotai.

18.—For the transit passes mentioned in Article 17 the duty according to existing treaties—i.e., half of the amount of export or import duty—shall be collected by the Maritime Customs Office at Tsingtao.

19.—The procedure to be observed in case of frauds or contraventions committed by merchants against the Maritime Customs rules shall be settled hereafter by a separate Agreement, but it is understood in principle that all judicial procedure rests with the German tribunals at Tsingtao.

20.—In view of the possibility that with the development of commercial activity at Kiaochow new requirements may arise which are not to be foreseen, it is understood that the present Agreement bears a provisional character, and that both parties to it agree to introduce amendments as soon as required for the purpose of remedying inconveniences which may arise in the practical execution of this Agreement.

Signed at Peking the 17th April 1899.

(*Signed*) HEYKING,
Minister of Germany.
(*Signed*) ROBERT HART,
Inspector General of Customs.

(*A*)—*Agreement about the establishment of a maritime customs office at Tsingtao: inland waters steam navigation.—Annex A.*

APRIL 17TH, 1904.

1.—The Kiaochow Customs having been formally authorised to function in Tsingtao are now empowered to issue inland steam navigation papers: steamers thus permitted to ply on the inland waters are to be guided generally by the rules and regulations of July and September 1898 † and the additional rules of September 1902,‡ but more especially by the regulations herebelow set forth.

2.—Steamers about to ply in the inland waters are required to deposit their national papers, Foreign or Native, with the Customs, and will receive in exchange, on written application, the Inland Waters Certificate; such Certificates are valid for one year, and a fee of Tls. 10 is payable on first issue and Tls. 2 for each annual renewal. Tonnage Dues are payable once every four months.

3.—Such certificated steamers may ply either (*a*) freely in the Tsingtao waters, or (*b*) according to regulations (1) from Tsingtao to a place or places inland and back, and (2) from Tsingtao to a place inland, thence to a Treaty port, thence to a place inland, and thence back to Tsingtao. On making due

† No. 1898/17, *ante*.
‡ Annex C to British Commercial Treaty of September 5, 1902 (No. 1902/7, *post*).

report to the local Customs or Tax Office, and paying local Dues or Duties, they may land or ship cargo or passengers at any recognised places of trade passed on the voyage, but they may not ply between inland places exclusively without special authority. If visiting another Treaty port on any such inland voyage, the Customs at such port are to be duly reported to and all port regulations, national and native, complied with.

4.—Whenever certificated steamers quit or return to Tsingtao, they are to clear from and report to the Kiaochow Customs, handing in Outward and Inward Manifests of cargo, reporting places to be called at or called at, and paying the prescribed Duties. Opium and contraband goods are not to be carried inwards or outwards: if carried, the goods are confiscable and the vessel subject to a fine of $500, a second offence entailing withdrawal of Inland Waters Certificate and privileges.

5.—Certificated steamers are required to carry the Imperial Chinese Post Office mails free of charge, and the Postal Department of the Kiaochow Customs is empowered to transact all required postal business in this connexion independently and/or in communication with the Colonial Post Office.

6.—The Colonial Government will assist the Kiaochow Customs to suppress smuggling—more especially the smuggling of Opium and contraband,—and accord special facilities to develop the legitimate business of the Postal Department.

Signed at Peking the 17th April 1904.

(*Signed*) A. v. Mumm,
Minister of Germany.
(*Signed*) Robert Hart,
Inspector General of Customs.

(*B*)—*Amendment to the agreement re the establishment of a custom house in Tsingtau.*

December 1st, 1905.

Preamble.—The Chinese and German Governments being anxious to amend the Agreement of the 17th April 1899, with a view to putting the relations between the Colony of Kiaochow and the Chinese Customs on a still better basis, have agreed to the amendments represented in the following Articles.

The basis of this arrangement is that the Chinese Government on its part (1) agrees to pay to the German Government a certain proportion of the Import Duties on goods, Opium included, landed in the German territory, and (2) consents to the modifications of Treaty-port Customs practice and principles which said Articles establish; and that the German Government on its part, in consideration of the Chinese payment and consent, undertakes to facilitate the working of the Imperial Chinese Customs establishment established and operating in the German territory and to aid in safeguarding the Revenue legitimately payable.

With the object of carrying out the necessary amendments, the undermentioned Articles, duly agreed to by both parties, have been made.

ART. I.—After the delimitation of the Tsingtau free area by the German officials, the Chinese Maritime Customs established in the German territory will levy all the Duties payable on goods passing outside the free area, and the Chinese Government will hand over annually to the German officials at Tsingtau 20 per cent. of the net Import Duties collected, as shown by the statistics of Kiaochow Customs, as its contribution to the expenses of the territory. This percentage will be fixed for the present provisionally for five years, and payment will be made in quarterly instalments after the end of each quarter. If this arrangement, fixing the contribution at 20 per cent., should at any time seem to either party to require amendment, notice is to be given to the other before the beginning of the fifth year, in order to afford time for reconsideration.

ART. II.—The limitation of the free area, which is to be established at the Great Harbour, and its probable extension later, on account of the progressing harbour works, will be made as convenient as possible for carrying on Customs work.

ART. III.—On articles which are Duty free by existing Customs Tariff no Duty will be levied.

The following are Duty free:—

FOR THE GERMAN TROOPS.

(*a*) Articles for arming and outfitting the troops, including Uniforms, if directly ordered by the military or naval authorities and if accompanied by Certificate of the Colonial Government.

(*b*) Stores and Provisions ordered by the military or naval authorities in anticipation of future requirements, if accompanied by Certificate of the Colonial Government.

FOR THE GENERAL PUBLIC.

(*c*) Machinery, Plant, as well as Parts of Machinery, Implements and Tools required for manufacturing, industrial, and agricultural purposes; also all Building Materials, Fittings, and other articles for public and official works. A written Bond for the value of the goods must in each case be handed to the Customs certifying that the articles are solely for use in the German territory. If, later, they are to be conveyed into China, they must be declared to the Customs and pay Import Duty. Failure to do so will involve enforcement of the Bond for recovery of double the amount of Duty on the value specified in it.

(*d*) Articles (Vehicles and such-like) passing to and fro between the free area and outside, solely for ordinary repairs; but they are to be reported to the Customs officers, that their passing may be noted.

(*e*) All postal parcels imported and destined for private use in the German territory, if the Duty which has to be taxed in accordance with the attached declaration does not exceed $1 (value $20). The Customs are at liberty to examine such parcels and verify declarations as occasion demands.

(*f*) The personal luggage of passengers, declared as not containing dutiable or contraband goods; it will only be examined in cases where the Customs consider it specially necessary.

ART. IV.—The regulations laid down in Arts. 5, 7, and 9 of the Agreement of 17th April 1899 as to levying of Import Duty are hereby modified, in so far that the *free Duty area* is limited to the *free area.* Payment of Duty therefore will be made according to circumstances, either when leaving the free area or, if to be landed elsewhere, before landing. By the payment of the Duty the goods pass into free circulation, and out of Customs control. Provision having been thus made for effective collection of Duty in Tsingtau, Customs Stations on or near the frontier will, under the provided conditions, be unnecessary, and the question of establishing such can for the time being be postponed; such Stations as are required for the control of junk traffic are excepted.

ART. V.—For manufactories which are erected outside the free area, arrangements are to be made according to which manufactures will not be treated less favourably than if they came from the free area. Labour in the German territory is free of tax; consequently manufactures made in the German territory from raw materials which have been imported from the *hinterland* or by sea into the German territory are, at reshipment, only subject to such Duty payment as China has by Treaty claim for on the raw material. A list of articles entitled to be treated as raw material will, if needed, be drawn up by the Customs and

ART. VI.—All trading and shipping facilities and privileges which are granted in Chinese coast ports are to be extended to the German territory, with such modifications as local conditions may require.

ART. VII.—In cases of fraud and offences against the Customs regulations, the procedure will be conducted in accordance with the spirit of the "Joint Investigation Rules of 31st May 1868"—a Colonial officer specially named by Colonial authorities and revised annually at the end of each year.

ART. VIII.—It is understood that this Agreement is an amendment of the the Government to take the place of the Consul.
original Agreement of 17th April 1899, made in accordance with Art. 20 of the latter, which, unless where modified hereby, remains in full force.

Signed and sealed at Peking this first day of December nineteen hundred and five by Baron MUMM VON SCHWARZENSTEIN, His Imperial German Majesty's Minister, on behalf of the German Government, and by Sir ROBERT HART, Bart., G.C.M.G., Inspector General of Imperial Chinese Customs, on behalf of the Chinese Government.

[SEAL.] (*Signed*) A. v. MUMM.
[SEAL.] (*Signed*) ROBERT HART.

(*C*)—*Ordinance regulating procedure in customs matters in the Kiaochow territory.*§

DECEMBER 2ND, 1905.

I.—GENERAL RULES.

§ 1.—All goods imported by sea into or exported from the German territory, with only such exceptions as are specified below, are subject to Duties on im-

§ Translation from German text. As printed in *Customs*, this Ordinance is headed *Annex A*, and bears a notation that it was "Issued by the Colonial Government on 2nd December 1905, and accepted by the Inspectorate General of Customs."

portation or exportation at the rates specified in the Chinese Tariff for Foreign trade for the time being in force. Goods forwarded to or coming from the interior under Transit Pass must pay the Treaty Transit Dues in addition to the Import or Export Tariff Duty.

§ 2.—The Customs procedure is guided by the principles and follows the practice which are in force at the Chinese Maritime Custom Houses at the various Treaty ports, and Customs control wherever necessary is exercised by its officers.

§ 3.—Import and Export Manifests of all vessels made out in accordance with the provisions of the Treaties must be handed to the Customs. The Manifests to be signed either by the master of the vessel, who in that case is held responsible, or by the agent of the vessel, in which case he will be responsible.

§ 4.—Junks repairing to the special points they frequent excepted, no vessel is allowed to work cargo until Import Manifest has been handed in to the Customs, nor to allow it to leave the ship outside the free area until Customs Permit has been issued. Applications for goods to be landed or shipped outside the free area must specify the locality—what jetty, etc.—they are to be landed at or shipped from.

II.—Free Area.

§ 5.—The free area comprises the Great Harbour including the Moles, the wharf territory and the enclosing embankment, and the territory in front of the harbour as far as the chief railway embankment. It is limited in the south-west by a line between Inner Harbour and railway embankment near the junction of Rechternstrasse and Grosse Hafenweg, and in the east by a line between railway and enclosing dam near the block station. An extension of the free area is reserved for later use at any time according to requirement. The following are the boundaries of the area kept for possibly required extension in the future, viz., the railway embankment to the block station, including territory to be filled in on the one side to the extent of 200 mètres east of the enclosing dam; on the other side (west), to the railway viaduct off the Shansistrasse along the road to Oster's Slip, including small and large harbours.

§ 6.—The free area shall not be made use of for dwellings, with the exception of those which are necessary for warehouse and wharf controllers, harbour, Customs, and police officers, nor for petty trade, with the temporary exception of a fixed number of Chinese street cookeries for the use of coolies. Factories are, in principle, allowed.

§ 7.—The Customs control within the free area, as well as at the exits, is exercised by the Chinese Custom House.

§ 8.—The Customs Duty account of all vessels must be settled within ten days of the ship's clearance, and Duty on all Imports passing beyond the free area paid.

§ 9.—Goods arriving by sea or from the *hinterland,* which are intended to be stored, sorted, and worked up in the free area, shall be notified to the Customs, who will then take them under supervision. At the time of the notification the following details have to be supplied: mode of conveyance by which the goods

arrived, and, if by sea, name of ship, name and address of consignee, date of arrival, number of packages, kind of packing, marks and numbers, and general description of the goods.

§10.—Goods which are destined to be exported by sea from the free area have to pass the Customs. Goods without Customs papers are not allowed to be received on board.

§ 11.—Traffic of every kind (carriages, carts, railway, junks, sampans, tugs, steamers, etc.) by sea and land frontier of the free area is subject to the supervision of the Customs.

III.—Duty-free Goods.

§ 12.—On articles which are Duty free by Treaty no Duty will be levied. The following are Duty free:—

For the German Troops.

(*a.*) Articles for arming and outfitting the troops, including Uniforms, if directly ordered by the military or naval authorities and if accompanied by Certificate of the Government.

(*b.*) Stores and Provisions ordered by the military and naval authorities in anticipation of future requirements, if accompanied by Certificate of the Government.

For the General Public.

(*c.*) Machinery, Plant, as well as Parts of Machinery, Implements and Tools required for manufacturing, industrial, and agricultural purposes; also all Building Materials, Fittings, and other articles for public and official works. A written Bond for the value of the goods must in each case be handed to the Customs certifying that the articles are solely for use in the German territory. If, later, they are to be conveyed into China, they must be declared to the Customs and pay Import Duty. Failure to do so will involve enforcement of the Bond for recovery of double the amount of Duty on the value specified in it.

(*d.*) Articles (Vehicles and such-like) passing to and fro between the free area and outside, for ordinary repairs; but they are to be reported to the Customs officer, that their passing may be noted.

(*e.*) All postal parcels imported and destined for private use in the German territory, if the Duty, which has to be taxed in accordance with the attached declaration, does not exceed $1 (value $20). The Customs are at liberty to examine such parcels and verify the declarations as occasion demands.

§ 13.—The personal luggage of passengers, declared as not containing either dutiable or contraband goods, is passed free of Duty and, as a rule, without examination; but the right of examination is reserved to the Customs in cases where it may be considered specially necessary.

Duty is leviable on articles carried in excess of those reasonably necessary for personal use or if expected to be sold.

IV.—Manufactures in the German Territory.||

§ 14.—Manufactures in the German territory are only subject to Duty in so far as China is entitled to Duty on the raw material.

(*a.*) Chinese raw material landed in German territory from the *hinterland* or non-Treaty ports and intended for use in a manufactory may be declared to the Customs and a Bond for any Duty payable on same deposited.

When the articles manufactured from this raw material come to be exported, they will pay Export Duty on the material used, and the Duty guaranteed by the Bond shall be cancelled to that extent.

Duty guaranteed by the Bond must be paid or accounted for before the expiration of three years from its date.

It will be optional for the exporter to pay full Tariff Duty on the exported article instead of on the raw material used in its manufacture.

(*b.*) Any Import or Coast Trade Duty levied on raw material arriving from Foreign countries or from the Treaty ports of China will be refunded at the time of exportation by sea of the manufactured articles made therefrom, provided that at the time of importation such material was duly declared at the Custom House as for use in a manufactory.

(*c.*) An arrangement will be made by agreement of Colonial and Customs authorities that when the various classes of manufactured articles are exported, the amount of raw material used will be fixed as a definite proportion and the Export Duty will be diminished accordingly.

(*d.*) The factories entitled to claim the treatment as specified above will be registered, and a list of them, revised as required and if needed, furnished to the Customs.

V.—Opium.

§ 15.—Opium can only be imported by vessels in original chests. The importation of smaller quantities than one chest is forbidden. All Opium on board of ships, including that intended for consumption during the journey, must, on arrival of the ship, be reported without delay to the Customs, who will supervise the transportation to the Customs godown of so much as is to be landed.

§ 16.—Opium from the German territory to China or from China to the German territory can only be conveyed by rail, on special Bill of Lading and as "Eilgut." It is forbidden to carry it as passenger's luggage. All Bills of Lading, etc., for arriving Opium are handed by the railway to the Customs in the German territory, who will notify the addressees.

§ 17.—The consumption of Opium in the German territory is subject to special regulations.

|| Section IV (§ 14) rescinded and replaced by the Ordinance of April 17, 1907, printed below under (D).

VI.—Arms, Powder, Explosives, etc.

§ 18.—Arms, Powder, Explosives, and the like, as well as materials used in the manufacture of the same, must be declared on arrival and discharged and stored in accordance with the regulations of the Colonial Government.

§ 19.—The export of Arms and Munitions of War of all kinds, as well as materials used in the manufacture of the same, from the German into Chinese territory is prohibited; exception is only made in the case of articles covered by Special Permit issued by the Commissioner of Customs in accordance with Chinese regulations.

§ 20.—The storage of Arms and Explosives in the German territory, as well as the trade in the same, is subject to special regulations.

VII.—Mail Matter.

§ 21.—Mail matter may be landed or shipped by the Post Office at any time.

§ 22.—Postal parcels will be received by the Post Office only if accompanied by a declaration form viséd by the Customs.

§ 23.—Parcels destined for Tsingtau will be handed, immediately after arrival, by the Post Office to the Customs for assessment of Duty. The declaration form will be delivered to the addressee in the same way as other mail matter. The addressee will produce the declaration form at the Customs, and on payment of duty, if any (*vide* § 12, (*e*)), the parcel will be delivered by the Customs. For such parcels as are destined for other places in the German territory where German Post Offices operate, the Duty payment of such parcels will be made, on application of the addressee, by the German Post Office, who will collect the Duty and a fee of 20 cents at the time of delivering the parcel.

§ 24.—The importation of Opium, Arms, Powder, Explosives and the like, as well as materials used in the manufacture of the same, by Post is forbidden. In special cases the Government can grant an exception.

VIII.—Tank Kerosene Oil.

§ 25.—The Customs procedure for despatching tank ships, storage, and valuation of Kerosene Oil will be in accordance with the procedure in force at the Maritime Custom Houses at the Treaty ports.

IX.—Office Hours of the Custom House.

§ 26.—The Custom House is open for the receipt and issue of all Customs papers from 10 A.M. to 4 P.M. on all days, Sundays and holidays excepted. The Customs Bank is open on all weekdays from 9–12 A.M. and 2–4 P.M.

§ 27.—Vessels wishing to load or discharge on Sundays or holidays, as well as during night hours, must take out a Special Permit from the Customs: this Permit must be applied for during office hours.

§ 28.—The transport of goods over land and sea boundary of the free area during night hours is only allowed in case a Special Permit has been obtained from the Customs. This does not apply to mail matter and passengers luggage.

§ 29.—Night hours are:—
From 1st March to 31st October: from 8 P.M. to 5 A.M.
From 1st November to 28/29 February: from 6 P.M. to 6 A.M.

X.—Fines.

§ 30.—Confiscation and fines will be imposed according to the principles which are laid down by the Treaties and which are in force at the Maritime Custom Houses. In cases of appeal against confiscation and fine imposed by the Commissioner of Customs, the procedure will be conducted in accordance with the spirit of the "Rules for Joint Investigation in Cases of Confiscation and Fine by the Custom House Authorities. Peking, 31st May 1868."

XI.—Abrogation of former Regulations.

§ 31.—This Ordinance, issued to carry out the terms of the Agreement made on 17th April 1899 and of the Amendment to same made under its 20th Paragraph on the 1st December 1905, and accepted by the Chinese Customs authorities,¶ will come into force on 1st January 1906, and will take the place of the following Regulations, which are hereby rescinded:—

(*a.*) The Provisional Customs Regulations for the German Territory of Kiaochow, of 23rd May 1899.

(*b.*) The Special Regulations for the Importation and Control of Opium, etc., of 23rd May 1899.

(*c.*) The Special Regulations *re* the Execution of the Customs Control, of 23rd May 1899.

(*d.*) The Provisional Additional Regulation to the Provisional Customs Regulations concerning Goods loaded by the Shantung Railway, of 20th April 1901.

(*e.*) The Customs Notification No. 24 regarding the Goods loaded by the Railway, of 31st March 1902.

Tsingtau, *2nd December* 1905.

The Colonial Governor p. t.,
(*Signed*) Van Semmern.

(*D*)—*Manufactures in German territory.*

April 17th, 1907.

Whereas necessity has arisen for more clearly stating the procedure to be followed in the treatment of manufactures by the Kiaochow Customs, the undersigned agree to accept the rules and explanations embodied in the document hereto attached, to be substituted for Section IV, "Manufactures in the German Territory," § 14 in the Tsingtau Ordinance of the 2nd December 1905 regulating

¶ The acceptance of this ordinance by the Inspectorate General of Maritime Customs was notified by it to the Commissioners of customs by Circular No. 1306 (2nd Series), December 23, 1905.

procedure in Customs matters, and append their signatures herebelow to record acceptance of the same.

GRAF REX,
Minister of Germany.
ROBERT HART,
Inspector General of Customs.

Signed at Peking the 17th April 1907.

Ordinance.

§ 14 of the Ordinance regulating procedure in Customs matters in the Kiaochow territory of 2nd December 1905 is hereby rescinded and the following paragraph will take its place:—

Manufactures in the German Territory.

A.—GENERAL RULES.

1.—Payment of Import Duty on goods of all kinds is to be made according to circumstances, either when leaving the free area or, if to be landed elsewhere, before landing. By the payment of Duty the goods pass into free circulation and out of Maritime Customs control (Amendment, Art. IV). Export Duty is paid on goods when shipped from Tsingtau to other places (Agreement, Art. VI). Goods between the *hinterland* and the territory outside the free area pass free of Maritime Customs control and Duty payment.

Produce raised in and merchandise manufactured from produce raised in or imported by sea into the German territory pays no Export Duty (Agreement, Art. VI). Articles made from raw materials are treated like ordinary goods unless the materials are declared to the Customs, when they will be accorded special treatment. As to Duty to be paid, manufactories inside or outside the free area are treated alike.

2.—Articles made in the German territory may, when forwarded into the interior, at the option of the manufacturer, be sent under Transit Pass and Pay Transit Dues on the fabricated article (*vide* Explanatory Notes).

3.—Chinese raw material landed in German territory from the *hinterland* or non-Treaty ports and intended for use in a manufactory may be declared to the Customs and a Bond for any Duty payable on same deposited.

When the articles manufactured from this declared material come to be exported, they will pay Export Duty on the material used and the Duty guaranteed by the Bond shall be cancelled to that extent.

Duty guaranteed by the Bond must be paid or accounted for before the expiration of three years from its date.

It will be optional for the exporter to pay full Tariff Duty on the exported article instead of on the raw material used in its manufacture.

Articles manufactured from material which has not been declared to the Customs and for which no Bond has been signed, pay full Export Duty at exportation when passing the Customs station.

4.—Any Import or Coast Trade Duty levied on raw material arriving from

Foreign countries or from the Treaty ports of China will be refunded at the time of exportation by sea of the manufactured articles made therefrom, provided that at the time of importation such material was duly declared at the Custom House as for use in manufactory.

5.—Manufactures made in the German territory when forwarded by sea into China are at importation subject to full Tariff Duty and may obtain Transit privileges by paying Transit Dues if taken inland.

6.—An arrangement will be made by agreement of Colonial and Customs Authorities that when the various classes of manufactured articles are exported the amount of raw material used will be fixed as a definite proportion and the Export Duty will be diminished accordingly.

7.—The factories entitled to claim the treatment as specified above will be registered, and a list of them, revised as required and if needed, forwarded to the Customs.

B.—Explanatory Notes.

The following notes refer only to such materials as have at the time of their arrival in German territory been duly declared at the Kiaochow Custom House as for use in a manufactory and, where needed, deposited Bonds for Duty payable.

1.—*Foreign Material arrived from Abroad either direct or through Treaty Port.*

(*a.*) If the manufactured article departs to go abroad—

1. The Duty paid will be refunded.

(*b.*) If the manufactured article is shipped to a Chinese Treaty port, the Duty paid at importation is refunded and the article pays—

2. At the port where landed the same Duty as the Tariff prescribes for similar merchandise arriving direct from Foreign countries, and
3. By paying a Transit Due afterwards becomes entitled to Transit privileges if going inland.

(*c.*) If the manufactured article is sent away under Inland Waters Navigation Rules, the article is liable to—

4. Whatever Duties, charges, or taxes similar merchandise has to pay on departure or *en route* and inland when similarly carried. Such article may, however,
5. Free itself from such inland liability, and enjoy Transit privileges instead, by paying a 2½ per cent. Transit Due on the manufactured article and carrying Transit documents.

(*d.*) If the manufactured article is sent away to the *hinterland* by a land route, it is treated—

6. Like similar merchandise despatched under Inland Waters Navigation Rules.

2.—*Native Material arrived from Chinese Treaty Ports.*

(*e.*) If the manufactured article departs to go abroad—

7. The Coast Trade Duty paid will be refunded.

(*f.*) If the manufactured article departs to go to a Chinese Treaty port—

8. A Coast Trade Duty-paid Certificate on the raw material contained in it will be given to free the article from Duty on arrival at the Treaty port landed at; afterwards it is treated as Chinese merchandise and not entitled to Transit privileges, or, at the option of the exporter,
9. The Coast Trade Duty will be refunded and it pays a full Import Duty on the manufactured article at the Treaty port landed at, and, if thence going inland, may obtain Transit privileges
10. On payment of a 2½ per cent. Transit Due and while accompanied by Transit documents.

(*g.*) If the manufactured article leaves Tsingtau under Inland Waters Navigation Rules, it is liable to—

11. Whatever Duties, charges, or taxes similar merchandise has to pay on departure or *en route* and inland when similarly carried. Such article may, however,
12. Free itself from such inland liability and enjoy Transit privileges on the payment of 2½ per cent. Transit Due at Tsingtau on the manufactured article.

(*h*) If the manufactured article leaves Tsingtau by the land route and goes to the *hinterland,* it is treated—

13. In the same way as if leaving under Inland Waters Navigation Rules.

3.—*Native Material arrived under Inland Waters Navigation Rules.*

(*i.*) If the manufactured article goes abroad, it pays at Tsingtau full Export Duty on either—

14. The material used or, at the option of the exporter, on
15. The article itself, and the quantity is written off on the Bond.

(*j.*) If the manufactured article goes to a Chinese Treaty port, it pays at Tsingtau full Tariff Duty on the—

16. Material used, Coast Trade Duty at the port landed at, and is thereafter treated as Chinese merchandise, or, at the option of the exporter, on the
17. Manufactured article, in which case it is given an Exemption Certificate, which entitles it to free entry as Foreign merchandise at the port arrived at, and, on subsequent payment
18. Of 2½ per cent. Dues, to Transit privileges if going inland.

(*k.*) If the manufactured article goes away under Inland Navigation Rules, it pays Coast Trade Duty on—

19. Material used or, at the option of the manufacturer, on
20. The manufactured article, and is liable to
21. Whatever Duties, charges, or taxes similar merchandise has to pay *en route* and inland when similarly carried. Such

article after such payment of Duty on material or manufactured article may, however,

22. Free itself from such inland liability and enjoy Transit privileges on the payment of 2½ per cent. Transit Due at Tsingtau on the manufactured article.

(*l.*) If the manufactured article leaves Tsingtau for the *hinterland* by the land route, it is treated—

23. In the same way as if leaving under Inland Navigation Rules.

4.—*Native Material arrived by Land Route from the Hinterland.*

(*m.*) If the manufactured article goes abroad, the material is written off on the Bond and the exporter pays at Tsingtau full Export Duty either—

24. On the material used or, at the option of the exporter, on
25. The manufactured article.

(*n.*) If the manufactured article goes to a Chinese Treaty port, it pays at Tsingtau full Tariff Duty on the—

26. Material used, Coast Trade Duty at the port landed at, and is thereafter treated as Chinese merchandise, or
27. On the manufactured article, in which case it is given an Exemption Certificate, which entitles it to free entry as Foreign merchandise at the port arrived at, and, on subsequent payment
28. Of 2½ per cent. Dues, to Transit privileges if going inland.

(*o.*) If the manufactured article goes away under Inland Waters Navigation Rules, it pays at Tsingtau Coast Trade Duty at the option of exporter either on—

29. Material used or on
30. Manufactured article, and will afterwards be liable, like similar merchandise similarly carried, to Inland Duties, charges, and taxes unless protected by Transit documents, which will entitle it to Transit privileges and may be obtained at Tsingtau from the Kiaochow Customs
31. On the additional payment of 2½ per cent. Transit Duty on the manufactured article.

(*p.*) If any such declared material leaves German territory by the land route for the *hinterland,* either in original condition or as manufactured article, it re-enters Chinese territory as Chinese merchandise and will be subject to the same Duties, charges, and taxes as similar merchandise similarly travelling.

GRAF REX,
Minister of Germany.
ROBERT HART,
Inspector General of Customs.

Signed at Peking the 17th April 1907.

NUMBER 1899/3.

GREAT BRITAIN AND RUSSIA.

Identic notes exchanged with regard to railway interests in China.—April 28, 1899.*

SIR C. SCOTT TO COUNT MOURAVIEFF.

The Undersigned, British Ambassador, duly authorized to that effect, has the honour to make the following declaration to His Excellency Count Mouravieff, Russian Minister for Foreign Affairs.

Great Britain and Russia, animated by a sincere desire to avoid in China all cause of conflict on questions where their interests meet, and taking into consideration the economic and geographical gravitation of certain parts of that Empire, have agreed as follows:—

1. Great Britain engages not to seek for her own account, or on behalf of British subjects or of others, any railway Concessions to the north of the Great Wall of China, and not to obstruct, directly or indirectly, applications for railway Concessions in that region supported by the Russian Government.

2. Russia, on her part, engages not to seek for her own account, or on behalf of Russian subjects or of others, any railway concessions in the basin of the Yangtze, and not to obstruct, directly or indirectly, applications for railway concessions in that region supported by the British Government.

The two Contracting Parties, having nowise in view to infringe in any way the sovereign rights of China or existing Treaties, will not fail to communicate to the Chinese Government the present arrangement, which, by averting all cause of complications between them, is of a nature to consolidate peace in the Far East, and to serve the primordial interests of China herself.

CHARLES S. SCOTT.†

ST. PETERSBURG, *April 28, 1899.*

SIR C. SCOTT TO COUNT MOURAVIEFF.

In order to complete the notes exchanged this day respecting the partition of spheres for Concessions for the construction and working of railways in

* Text as reprinted in *Rockhill*, p. 183, from *B. & F. State Papers*, vol. 91, p. 91. Printed also in *British Treaty Series, 1899, No. 11; Am. Int. Law Journal, Supplement*, 1910, p. 298; *Hertslet*, p. 586; *Kent*, p. 220; *Recueil*, p. 358.

In connection with this exchange of notes see also the note of the Tsung-li Yamen to the Russian Minister, June 1, 1899 (No. 1899/5, *post*); Agreement between Russia and China concerning Manchuria, April 8, 1902 (No. 1902/3, *post*); Agreement for the transfer of the Peking-Shanhaikuan Railway to the Chinese Civil Administration, and the Additional Agreement respecting the management of the northern railways, April 29, 1902 (No. 1902/4. *post*), and the note of the Wai-wu Pu to the Russian Minister, June 10, 1902, attached thereto.

† The same, *mutatis mutandis*, was sent the same day by Count Mouravieff, Minister of Foreign Affairs of Russia, to Sir Charles Scott.

China, it has been agreed to record in the present additional note the agreement arrived at with regard to the line Shanhai-kuan-Newchwang, for the construction of which a loan has been already contracted by the Chinese Government with the Shanghai-Hongkong Bank, acting on behalf of the British and Chinese Corporation.

The general arrangement established by the above-mentioned notes is not to infringe in any way the rights acquired under the said Loan Contract, and the Chinese Government may appoint both an English engineer and an European accountant to supervise the construction of the line in question, and the expenditure of the money appropriated to it.

But it remains understood that this fact cannot be taken as constituting a right of property or foreign control, and that the line in question is to remain a Chinese line, under the control of the Chinese Government, and cannot be mortgaged or alienated to a non-Chinese Company.

As regards the branch line from Siaoheishan to Sinminting, in addition to the aforesaid restrictions, it has been agreed that it is to be constructed by China herself, who may permit European—not necessarily British—engineers to periodically inspect it, and to verify and certify that the work is being properly executed.

The present special Agreement is naturally not to interfere in any way with the right of the Russian Government to support, if it thinks fit, applications of Russian subjects or establishments for Concessions for railways, which, starting from the main Manchurian line in a southwesterly direction, would traverse the region in which the Chinese line terminating at Sinminting and Newchwang is to be constructed.

CHARLES S. SCOTT.†

ST. PETERSBURG, *April 28, 1899.*

NUMBER 1899/4.

CHINA.

Proclamation in regard to the extension of the international settlement at Shanghai.—May 2, 1899.*

Proclamation of Li, Wearer of the Button of Second Grade by Imperial Grace, Commissioner of Kiangnan Customs, Taotai of Shanghai, concurrently in charge of copper mines, Hereditary Baron of the Third Class.

After rules and regulations were made for the first section of a foreign settlement north of the Yang King Pang by former Taotai Kung and former British

* Translation from the Chinese text.

† The same, *mutatis mutandis,* was sent the same day by Count Mouravieff, Minister of Foreign Affairs of Russia, to Sir Charles Scott.

Consul Parker on the fifth day of the eighth moon, in the twenty-sixth year of Tao Kuang (September 24, 1846), commerce was improved, the laboring classes were benefited and the prosperity of the place increased.

So that on the second day of the eleventh moon, in the twenty-eighth year of Tao Kuang (November 27, 1848), former Taotai Lin and former British Consul Allen had a consultation concerning extension, and agreed upon boundaries, mapped out the place and set up boundary stones.

Later on, on the thirteenth day of the fifth moon of the nineteenth year of Kuang Hsü (June 26, 1893), outside of the first district of the settlement the Hongkew district was set aside for a settlement by former Taotai Nieh, who deputed former Shanghai Magistrate Huang to consult with Mr. Emens, Vice Consul General of the United States acting in behalf of the consuls of the various countries. Boundaries were surveyed and fixed and stones set up.

Still later, on the tenth day of the second moon, in the twenty-fourth year of Kuang Hsü (March 2, 1898), during the incumbency of former Taotai Ts'ai, an application was received from the Senior Consul, Mr. Stubel, Consul General of Germany, for the extension of the settlement. Instructions were also received from His Excellency Liu, Superintendent of Southern Trade, stating that communication had been received from Mr. Brenan, British Consul General at Shanghai, and Mr. E. T. Williams, Acting Consul General of the United States, pointing out that the present settlement was not large enough for the increasing business of Shanghai and asking for an extension, not with any idea of interfering with the authority of Chinese officials, as all rules and regulations concerning Chinese must have the previous approval of the local authorities before they can be enforced. As to the extension of the limits of the settlement a satisfactory arrangement should be made with the local authorities. In obedience to this order, former Taotai Ts'ai proposed boundaries for the extension of the international settlement and communicated them to the Senior Consul, Mr. Valdez, consul General of Portugal. But before a satisfactory arrangement was arrrived at, former Taotai Ts'ai was removed.

I have now assumed office. His Excellency Liu, Superintendent of Southern Trade, has appointed Deputies Ferguson and Yü to come to Shanghai, to be associated with me in the settlement of the question. Realizing that business in Shanghai is daily increasing and that the place is not large enough, it was plainly my duty to have a discussion concerning the extension of the International Settlement. A conference was held between Deputies Ferguson and Yü, the consuls of the various countries and myself, when a satisfactory arrangement was concluded.

In the rules and regulations for the former settlement, which were from time to time agreed on, and in the new regulations for the Hongkew settlement, the rights of the Chinese people with regard to houses and land, graves, and waterways are all plainly stated and will be protected. These regulations were sometime ago printed and placed at the gate of the Municipal Council as well as in other public places, for the information and compliance of everyone.

The Shanghai district magistrate is now ordered to carry into effect our decision regarding the international extension, make a map, and set up boundary

stones in conjunction with Deputies Ferguson and Yü and with the chairman of the Municipal Council.

Having sent despatches to the consuls of the various countries on the subject, I feel in duty bound to issue this proclamation that all classes of people may be informed about the matter; and hereafter all matters within the settlement will be governed by the rules and regulations, excepting temples and Chinese Government property, which are not under the control of the Municipal Council.

Let all obey this special proclamation!

Boundaries of the international settlement extension.

East, from Yangtzepoo Bridge in the American settlement to Chou Chia Chui.

West, from Ni Ch'eng Bridge (Mud City Bridge) to Cheng An Ssu Chen (Bubbling Well Temple), and from a straight line drawn from Bubbling Well Temple to the south bank of Soochow Creek at Sinza.

South, from Pa Hsien Bridge (Bridge of the Eight Fairies) in the French Settlement to Cheng An Ssu Chen (Bubbling Well Temple).

North, from the fifth boundary stone in the Hongkew settlement to the north boundary of Shanghai district; that is, from the boundary line between Shanghai and Paoshan districts in a straight line to Chow Chia Chui.

The (23) day of the fourth moon, in the twenty-fifth year of Kuang Hsü (May 2, 1899).

NUMBER 1899/5.

RUSSIA AND CHINA.

Note of the Tsung-li Yamen to the Russian Minister at Peking in regard to the construction of railways northward and northeastward from Peking.— June 1, 1899.*

Your Excellency:

We discussed with Your Excellency a few days ago the subject of a railway connecting the Manchurian Railway with Peking, and explained the difficulty felt by the Chinese Government in acceding to the proposal. But we stated clearly that no other Government would be allowed to construct such a railway.

We now wish to reiterate in the plainest terms that China agrees that if railways are in future built from Peking to the north or to the northeast towards the Russian border, China reserves the right to construct such roads with Chinese capital and under Chinese supervision, but if it is proposed to have such construction undertaken by any other nation, the proposal shall be first made to the Russian Government or to the Russian syndicate to construct

* Translation from the Chinese text. See Note to this document, *post*, p. 208.

the railway, and on no consideration will any other Government or a syndicate of any other nationality be allowed to construct the railway.

We ask Your Excellency to communicate this message to the Foreign Office of Your Excellency's Government.

Note

The following is a translation from the Chinese version of the acknowledgment addressed to the Tsung-li Yamen by the Russian Minister (Mr. de Giers) under date of June 17, 1899:—

Reply of Russian Minister in regard to Railways Northward and Northeastward from Peking.—June 17, 1899.

"Receipt is acknowledged of Your Excellencies' note of the twenty-third day of the fourth moon of this year (June 1, 1899), stating that the Chinese Government would not allow any other Government to construct a railway to Peking, and furthermore agreeing that if railways are in future built from Peking to the north or to the northeast towards the Russian border, no matter in what direction, China reserves the right to construct such roads with Chinese capital and under Chinese supervision, but if it is proposed to have such construction undertaken by any other nation, the proposal shall first be made to the Russian Government or to the Russian syndicate to construct the railway, and on no consideration will any other Government or a syndicate of any other nationality be allowed to construct the railway.

"The statements above set forth were communicated, in accordance with your request, to my Government, and I have now received a reply from Count Mouravieff, as follows:

> "'The assurances of the Chinese Government have been respectfully noted. While the Russian Government will not at once ask for the construction of a road connecting the main line of the Manchurian Railway with Peking, the demand of Russia for the construction of this road was based on the responsibility assumed by the Chinese Government in its note of the thirteenth day of the sixth moon of last year (July 31, 1898), which is direct and incontrovertible, the failure to fulfil which involves an indemnity. This responsibility cannot therefore be allowed to lapse.'"

In connection with this note, see the Anglo-Russian exchange of notes of April 28, 1899 (No. 3, 1899/3, *ante*); Agreement between Russia and China concerning Manchuria, April 8, 1902 (No. 1902/3, *post*); Agreement for the transfer of the Peking-Shanhaikuan Railway to the Chinese Civil Administration, and the Additional Agreement respecting the management of the northern railways, April 29, 1902 (No. 1902/4, *post*), and note of the Wai-wu Pu to the Russian Minister, June 10, 1902, attached thereto.

NUMBER 1899/6.

KOREA AND CHINA.

Treaty of amity and commerce.—September 11, 1899.*

His Majesty the Emperor of Korea and His Majesty the Emperor of China, being sincerely desirous of establishing permanent relations of harmony and friendship between their respective subjects, have resolved to con-

* Translation from the Chinese text, as printed in *Rockhill*, p. 424. Printed also in English translation in *Hertslet*, p. 241; *Customs*, Vol. II, p. 864.

Hertslet (p. 241) notes that by Article 2 of the convention between Japan and Korea

clude a treaty for that purpose, and have therefore named as their plenipotentiaries, that is to say:

His Majesty the Emperor of Korea, Pak Chai Sun, Korean Minister of Foreign Affairs, Minister of the Council of State, etc., His Majesty's Minister Plenipotentiary;

His Majesty the Emperor of China, Hsü Shou Peng, an official of the second grade, Director of the Imperial Stud, His Majesty's Minister Plenipotentiary;

Who, after having communicated to each other their respective full powers, found in due and good form, have agreed upon and concluded the following commercial treaty:

ARTICLE I.—**Peace, friendship, good offices.**—There shall be perpetual peace and friendship between the Empire of Korea and the Empire of China, and between their respective subjects, who shall enjoy equally in the respective countries of the High Contracting Parties full protection and the advantages of favorable treatment.

If other powers should deal unjustly or oppressively with either Government, the other, on being informed of the case, will exert their good offices to bring about an amicable arrangement, thus showing their friendly feelings.

ARTICLE II.—**Diplomatic representatives.**—After the conclusion of this treaty of amity and commerce, the High Contracting Parties may each appoint diplomatic representatives to reside at the court of the other, and may each appoint consular representatives at the ports of the other which are open to foreign commerce, at their own convenience.

These officials shall have relations with the corresponding local authorities of equal rank upon a basis of mutual equality.

The diplomatic and consular representatives of the two Governments shall enjoy mutually all the privileges, rights, and immunities, without discrimination, which are accorded to the same class of representatives from the most favored nation.

Consular representatives.—Consuls shall exercise their functions only on receipt of an exequatur from the Government to which they are accredited.

No restrictions or difficulties shall be imposed upon the movement of the members of the official establishments of either country or upon messengers carrying official dispatches.

Consular authorities shall be bona fide officials. No merchant shall be permitted to exercise the duties of the office, nor shall consular officers be allowed to engage in trade.

At ports to which no consular representatives have been appointed the consuls of the other powers may be invited to act, provided that no merchant shall be allowed to assume consular functions.

of November 17, 1905, providing for the control of Korean foreign relations by Japan, it is stipulated that "The Government of Japan undertake to see to the execution of the Treaties actually existing between Korea and other Powers". The proclamation of the Japanese Government in connection with the Treaty of annexation of Korea, concluded August 22, 1910, made the announcement that "Treaties hitherto concluded by Korea with foreign Powers ceasing to be operative, Japan's existing Treaties will, so far as practicable, be applied to Korea."

If the consular representatives of either country conduct their business in an improper manner, they shall be withdrawn on notice being given to the diplomatic representatives of the country concerned.

ARTICLE III.—**Merchants, merchant vessels.**—Merchants and merchant vessels of Korea visiting Chinese treaty ports for purposes of trade shall pay import and export duties and tonnage dues and all other charges according to the Chinese customs regulations and on the same terms as the similar duties levied on the subjects of the most favored nation.

Chinese merchants and merchant vessels visiting Korean treaty ports for purposes of trade shall pay import and export duties and tonnage dues and all other charges according to the Korean customs regulations and upon the same terms as the duties levied upon the subjects of the most favored nation.

The subjects of both powers shall be allowed to resort for purposes of trade to all the open ports in the dominion of the other.

Regulations for the conduct of trade and the customs tariff shall be those enjoyed by the most favored nation.

ARTICLE IV.—**Rights at open ports.**—1. Subjects of Korea who may proceed to the Chinese open ports may reside and rent premises or lease land and erect warehouses as they please within the limits of the settlements. They shall be at liberty to traffic in all kinds of native produce, in all manufactured goods, and in all articles that are not declared contraband.

Subjects of China who may proceed to the Korean open ports may reside and rent premises or lease land and erect warehouses as they please within the limits of the settlements. They shall be at liberty to traffic in all kinds of native produce, in all manufactured goods, and in all articles that are not declared contraband.

2. All questions affecting the renting of land, the building of houses, the laying out of cemeteries, the payment of rent and taxes, and other matters of a similar nature at the treaty ports of either country are to be determined in accordance with the settlement and municipal council regulations of the ports, which must not be infringed.

If there is, in addition to a general foreign settlement at a treaty port in either country, a settlement under the separate control of a foreign power, questions affecting the renting of land and similar matters shall be governed by the regulations of the settlement, which must not be infringed.

Leasing and purchasing land.—3. Chinese subjects shall enjoy all benefits and advantages granted to foreigners with reference to the leasing or purchase of land or houses beyond the limits of the foreign settlements at the treaty ports of Korea. But all lands so occupied shall be subject to such conditions as to the observance of Korean local regulations and payment of land tax as the Korean authorities may see fit to impose.

Korean subjects shall enjoy all benefits and advantages granted to foreigners with reference to the leasing or purchase of land or houses beyond the limits of the foreign settlements at the treaty ports of China. But all lands so occupied shall be subject to such conditions as to the observance of Chinese local

regulations and the payment of land tax as the Chinese authorities may see fit to impose.

4. The subjects of neither country shall be permitted to rent land or houses or open warehouses beyond the limits of the area open to foreign trade at the treaty ports of the High Contracting Parties. The penalty for a breach of this stipulation shall be the confiscation of the land and a fine of twice their original value.

5. No coercion or intimidation in the acquisition or lease of land shall be permitted and the land so occupied shall remain an integral part of the State.

6. If merchandise is sent by the subjects of one of the High Contracting Parties from one treaty port in the other country to another treaty port in the same country it shall be subject to the same dues and duties, prohibitions and regulations as obtain in the case of the subjects of the most favored nation.

ARTICLE V.—**Punishment of crimes.**—1. A Chinese subject who commits any offense in Korea shall be tried and punished by the Chinese consular authorities according to the laws of China.

A Korean subject who commits any offense in China shall be tried and punished by the Korean consular officials according to the laws of Korea.

A Chinese subject who commits any offense against the life or property of a Korean in China shall be tried and punished by the Chinese authorities according to the laws of China.

A Korean subject who commits any offense against the life or property of a Chinese in Korea shall be tried and punished by the Korean authorities according to the laws of Korea.

Mixed cases.—When controversies arise between the subjects of the two countries they shall be decided by the proper official of nationality of the defendant according to the laws of that country.

The properly authorized official of the plaintiff's nationality shall be permitted to attend the trial and watch the proceedings, and shall be treated with the courtesy due to his position. If he so desires, he shall have the right to call and examine witnesses, and if he is dissatisfied with the proceedings he shall be permitted to protest against them in detail.

Refuge.—2. If a subject of one of the High Contracting Parties who has committed an offense against the laws of his country takes refuge on the premises or on board a ship owned by a subject of the other the local officials, after having notified the consular authorities, shall send police to assist in having the offender arrested and brought to justice. The authorities of the nationality of the offender shall try the case. No protection or concealment of any such person shall be permitted.

Extradition.—3. If a subject of one of the High Contracting Parties who has committed an offense against the laws of his country takes refuge in the dominions of the other the authorities of the latter country, on receiving an application, shall discover and hand over such person to his country for trial. No concealment or protection of any such person shall be permitted.

Extraterritoriality.—4. When in the judgment of either of the High Contracting Parties the laws and legal procedure of the other shall have been so

far modified and reformed as to remove the present existing objections, the right of extraterritorial jurisdiction shall be relinquished.

ARTICLE VI.—**Export of rice and grain.**—In China the export of rice and grain to foreign countries has always been prohibited. There is no prohition of this kind in Korea, but it is agreed that whenever there is reason to apprehend a scarcity of food within the limits of the Empire a prohibition against the export of rice and grain may be enforced, and shall be binding upon Chinese subjects when it shall have been officially communicated by the Korean local authorities to the Chinese authorities concerned.

ARTICLE VII.—**Fraudulent sales, debts.**—If the subjects of either of the High Contracting Parties in their commercial dealings with each other are guilty of fraud or make fictitious sales, or do not pay their debts, the authorities of both Powers shall use stringent measures to arrest the offenders and obtain payment of the debts.

The Governments of the High Contracting Powers shall not be responsible for debts of this nature.

ARTICLE VIII.—**Passports.**—Chinese subjects shall have the right to travel under passports in the interior of Korea for purposes of pleasure or trade. They are, however, forbidden to reside or to open establishments for trade there. The penalties for a breach of this stipulation are the confiscation of the goods and a fine of twice their original value.

Korean subjects shall have the right to travel under passports in the interior of China for purposes of pleasure or trade, and shall receive most favored nation treatment in this respect.

ARTICLE IX.—**Arms, munitions.**—The purchase of arms, munitions, and implements of war, as ordnance or cannon, shot and shell, firearms of all kinds, cartridges, sidearms, spears or pikes, saltpeter, gunpowder, gun cotton, dynamite, and other explosive substances is permitted only to the officials of the two Contracting Powers, and they may be imported by the subjects of either only under a written permit issued by the officials of the country into which they are imported.

If these articles are clandestinely imported or sold they shall be confiscated and the offending party fined twice their original value.

Import of opium into Korea, export of red ginseng from.—The import of opium into Korea is prohibited, and if either foreign or Chinese grown opium is imported by Chinese subjects it shall be confiscated and the offending party fined twice its original value.

The export of red ginseng from Korea has always been prohibited. If Chinese subjects clandestinely buy and export it without the special permission of the Korean Government, it shall be seized and confiscated and the offenders punished as circumstances may require.

ARTICLE X.—**Ports of refuge.**—Whenever vessels of either of the two Contracting States are detained on the coast of other through stress of weather or want of fuel or provisions they may enter any port or harbor either to take refuge therein or to get supplies, or to make repair; the expenses incurred thereby being defrayed by the ship's master. In such event the officers and

people of the locality shall render all the assistance in their power and furnish the necessaries required.

Clandestine trade.—If a vessel trades clandestinely at a port not open to commerce, or at any place where she is forbidden to proceed, the vessel, with her cargo, whether any trade has actually taken place or not, shall be seized and confiscated by the local authorities and the nearest customs officials, and the offenders shall incur a fine of twice their original value.

Wrecks, their cargoes and crews.—Should a vessel of either Power be wrecked on the coast of the other, the local authorities, on being informed of the occurrence, shall immediately render assistance to the crew, provide for their immediate necessities, and take requisite measures for the salvage of the ship and the preservation of her cargo. They shall also bring the matter to the knowledge of the nearest consular representative, in order that steps may be taken to send the crew home and to save the ship and her cargo. The necessary expenses shall be defrayed either by the ship's master or by the authorities of the nationality of the vessel concerned.

ARTICLE XI.—**Employment of natives.**—The officers and people of either Power residing at trading places in the dominions of the other shall have the right to employ natives in any lawful capacity.

ARTICLE XII.—**Tariff and frontier trade rules.**—After the present treaty has been concluded, a tariff and rules shall be drawn up to regulate the frontier trade which has hitherto been carried on between the two Empires. All persons who have already crossed the frontier and reclaimed ground shall be allowed to pursue their avocations in peace and enjoy protection for their lives and property.

Migration.—From this time forward migration across the frontier shall be prohibited on both sides in order to avoid complications.

Frontier mart.—The question of the determination of the site of a trade mart is reserved for discussion and settlement when the frontier rules come to be drawn up.

ARTICLE XIII.—**Ships of war.**—The ships of war of each country shall be at liberty to visit all the ports of the other whether open to foreign trade or not.

They shall not be permitted to clandestinely import merchandise.

Supplies of all kinds for ships of war of either country shall not be liable to the payment of duties.

Officers and men of the ships of war of either country may land anywhere in the territories of the other, but shall not proceed into the interior unless they are provided with passports.

If articles used on board ship are for any reason sold, the purchaser shall pay the proper duty.

ARTICLE XIV.—The present treaty shall be ratified by His Majesty the Emperor of Korea and His Majesty the Emperor of China under their hands and seals, and the ratifications shall be exchanged at Seoul within one year at the latest from the date of signature, and immediately thereafter this treaty shall be in all its provisions publicly proclaimed and made known by both Govern-

ments in their respective countries, in order that it may be obeyed by their subjects, respectively.†

ARTICLE XV.—The Chinese written character being common to both Korea and China, this treaty and future official correspondence shall be made in Chinese for the sake of clearness.

HSÜ SHOU PENG,

Envoy Extraordinary and Minister Plenipotentiary 2nd Rank. Director of the Imperial Stud. For His Majesty the Emperor of China, 7th day, 8th moon, 25th year of Kuang Su.

PAK CHAI SUN,

Envoy Extraordinary and Minister Plenipotentiary. Minister for Foreign Affairs and Councillor of State. 11th September, 1899. 3d year of Kwang Mu.

NUMBER 1899/7.

MEXICO AND CHINA.

Treaty of amity and commerce.—December 14, 1899.*

The President of the United Mexican States and His Majesty the Emperor of China, being equally animated by the desire to establish friendly relations between the two countries and their citizens and subjects, have resolved to conclude a Treaty of friendship, commerce and navigation, and for that purpose have named their respective Plenipotentiaries, that is to say:

The President of the United Mexican States, Manuel de Azpíroz, Ambassador Extraordinary and Plenipotentiary of the United Mexican States in Washington, and

His Majesty the Emperor of China, Wu Ting-fang, an Official of the Second Rank, Minister of State of the Fourth Class by brevet, and Envoy Extraordinary and Minister Plenipotentiary to the United States of America, Spain and Peru;

And we, the said Plenipotentiaries, after having exhibited our respective full powers, and finding them in due and good form, have agreed upon the following articles:

ARTICLE I.—**Friendship. Free intercourse. Most favored nation treatment.**—There shall be perpetual, firm and sincere friendship between the United Mexican States and the Chinese Empire, as also between their respective citizens and subjects. They shall be at liberty to freely go to the respective countries of the High Contracting Parties and reside therein. They shall there have complete protection in their persons, families and property,

* Text as reprinted in *Rockhill*, p. 468, from *Diario Oficial*, July 24, 1900. Printed also in *Customs*, Vol. II, p. 833; *Hertslet*, p. 399.

† Ratifications exchanged December 14, 1899.

and they shall enjoy all the rights and advantages which are granted to the subjects of the most favored nation.

ARTICLE II.—**Diplomatic agents. Rights. Immunities.**—In order to facilitate friendly relations between the two countries, the President of the United Mexican States may appoint a Diplomatic Agent to the Court of Peking and His Majesty the Emperor of China may, likewise, appoint a Diplomatic Agent near the Mexican Government.

The Diplomatic Agents of each of the High Contracting Parties may reside permanently or temporarily in the Capital of the other, with their families and members of their suite, and enjoy, in the countries of their respective residence, the same prerogatives, exemptions, immunities and privileges granted to the Agents of the same rank of the most favored nation.

ARTICLE III.—**Consular officers. Rights. Immunities.**—Each of the High Contracting Parties may appoint, at the ports or cities of the other, open to foreign commerce, Consuls General, Consuls, Vice-Consuls and Consular Agents. These shall not enter in the discharge of their duties until they receive the Exequatur of the Government of the Country where they are to reside. The Exequatur shall be issued free of charge. At the ports or cities where no Consul is appointed, his functions may be performed by a Consul of a friendly nation. Where there is no Consul, the local authorities shall see that the citizens or subjects of the other Contracting Party enjoy the benefits of the present Treaty.

The Consular Officers of the High Contracting Parties shall perform all the functions and enjoy all the immunities and privileges which, in either of the two countries, are granted to the Consular Officers of the most favored nation.

The Consular Officers shall not support the demands of their citizens or subjects if provocative or offensive to the authorities or inhabitants of their place of residence.

Should a Consular Officer adopt offensive conduct towards the laws of the country of his residence, the Exequatur may be withdrawn from him.

ARTICLE IV.—**Passports for Mexicans in China.**—Mexican citizens shall be permitted to go into the interior of China and travel therein, provided they are furnished with a passport issued, at the request of the Mexican Consul, by the Customs Taotai. This passport, written in the two languages, Spanish and Chinese, must be shown when the authorities of the place of transit ask it, and returned at the end of the journey. No obstacle shall be placed in the way of travelers engaging men, vehicles or vessels for the transportation of their baggage.

In case the traveler is not provided with the proper passport, or he commits an unlawful act, he shall be delivered for trial to the nearest Consul of Mexico or of a friendly nation previously designated by the Mexican Government. In this case the local authorities can only arrest the traveler without insulting him or permitting any violence to him.

Mexican citizens shall be at liberty to make excursions without the necessity of providing themselves with a passport, in the neighborhood of the open ports,

for a distance not exceeding one hundred *li,* and for a time not exceeding five days.

These stipulations are not applicable to the crews of vessels, who shall be subject, during their stay on land, to the regulations established by the Consuls and the authorities.

Chinese travelers in Mexico.—Chinese subjects shall be at liberty to travel through all the territory of Mexico, as long as they conduct themselves peaceably and do not violate the laws and regulations of the country.

ARTICLE V.—**Free emigration only allowed.**—It is agreed between the two High Contracting Parties that the emigration of their respective subjects, whether accompanied by their families or not, shall be in future free and voluntary; consequently they disapprove of every act of violence or trickery which might be committed in the ports of China or anywhere else for the purpose of expatriating Chinese subjects, against their will.

Prosecution for forcing emigration.—The two Governments engage themselves to prosecute with all the rigor of the laws any contravention of the preceding stipulation and to impose penalties established by their respective legislations upon the persons and ships who may violate this stipulation.

ARTICLE VI.—**Trade.**—Mexican citizens shall be at liberty to travel with their merchandise and engage in commercial pursuits in all the ports of China where the subjects of other nations are permitted to engage in commerce.

Chinese subjects shall, likewise, be at liberty to travel and engage in commerce in all places of the Mexican Republic, under the same conditions as the subjects of all other nations.

Limitation of most-favored-nation provision.—It is to be understood that, in case either of the High Contracting Parties should hereafter grant, of its own accord, to any other nation, advantages subject to special conditions, the other Contracting Party shall enjoy said advantages, only provided it complies with the conditions imposed therein or their equivalent, to be mutually agreed upon.

ARTICLE VII.—**Citizens and merchant vessels.**—The citizens or subjects and merchant vessels of each of the High Contracting Parties shall be subject, at the ports of the other open to foreign commerce, to the legal provisions which now regulate commerce with all other nations or which may be issued hereafter.

ARTICLE VIII.—**Import and export duties.**—The import duties imposed in the United Mexican States on the produce of the soil and industry of China, and in the Empire of China on the produce of the soil and industry of Mexico, shall be no other nor higher than those to which the same produce of the most favored nation are or may be subject.

The same principle shall be observed in regard to exportation.

Prohibition or restriction of trade.—No prohibition nor restriction of importation or exportation shall take place in the reciprocal commerce of both countries, unless it be likewise applied to all other nations, except for sanitary motives or for the purpose of preventing the propagation of epizooties or the loss of crops, or also in view of events of war.

ARTICLE IX.—**Ships of war. Their privileges.**—The ships of war of each of the Contracting Parties shall be admitted into the ports of the other, where those vessels of all other nations are allowed to enter, and to be treated as those of the most favored nation.

They shall have entire liberty to purchase provisions, coal and the necessary articles for a voyage, as also to get water and have all necessary repairs made.

The ships of war shall be exempt from the payment of all duties, both on their arrival and departure.

The Commanders of Mexican ships of war in China and the local principal authorities shall mutually treat each other on the basis of equality.

ARTICLE X.—**Exemption from military service, forced loans, etc.**—The citizens or subjects of each of the Contracting Parties, in the dominions and possessions of the other, shall be exempt from all compulsory military service whatever, whether in the army, navy or national guard, or militia. They shall likewise be exempt from all contributions, whether pecuniary or in kind, imposed as a compensation for personal service, and, finally, from forced loans and from charges, requisitions, and war contributions, unless imposed on real property when they shall pay them equally with nationals.

The vessels, cargoes, merchandise or effects of citizens or subjects of neither Contracting Party shall be detained for any military expeditions or for any public purpose whatever without corresponding compensation first being agreed upon and settled.

ARTICLE XI.—**Merchant vessels.**—The merchant vessels of each of the Contracting Parties shall be at liberty to frequent the ports of the other open to foreign commerce or that may hereafter be opened.

It is, however, agreed that this concession does not extend to the coasting trade, granted only to the national vessels in the territory of each of the Contracting Parties. But, if one of them should permit it wholly or in part to any nation or nations, the other Party shall have the right to claim the same concessions or favors for its citizens or subjects, provided said Contracting Party is willing, on its part, to grant reciprocity in all its claims on this point.

Most-favored-nation treatment for merchant vessels.—The vessels of each of the Contracting Parties shall not be subject, in the territory or ports of the other, on their entrance, departure or stay, to other or higher duties, charges or fees of public officials on account of tonnage, lighthouse, port, pilotage, quarantine, salvage, assistance in case of damage or shipwreck, nor to other charges or duties, local or federal of whatever kind or denomination, than are paid or which may hereafter be paid by vessels of any other nation.

For the application of this and other articles of the present Treaty, those are to be understood as ports of each of the Contracting Parties, which are opened or that may hereafter be opened to the import and export trade by the respective Governments.

Limit of territorial waters.—The two Contracting Parties agree upon

considering a distance of three marine leagues, measured from the line of low tide, as the limit of their territorial waters, for everything relating to the vigilance and enforcement of the Custom-House regulations and the necessary measures for the prevention of smuggling.

Refuge.—The vessels of each of the High Contracting Parties which may have been disabled near the coasts of the other and may have to seek shelter in a port, shall receive from the local authorities all the assistance which they can render.

The merchandise saved shall not be subject to the payment of duties, unless it shall be landed for the purpose of sale.

Such vessels shall be treated on the same terms as are granted under similar circumstances to those of other countries.

ARTICLE XII.—**Contract laborers.**—The engagement by contract of citizens or subjects of one country as laborers, servants or the like in plantations, mills, shops, business establishments or private families in the other country, shall be subject to rules to be established by mutual agreement between both High Contracting Parties.

ARTICLE XIII.—**Jurisdiction over Mexicans in China.**—Mexicans in China who may have occasion of complaint against Chinese, shall lay their complaint before the Mexican Consul, who shall investigate the facts of the case and exert himself to bring about an amicable settlement.

If a Chinese should likewise, have any occasion of complaint against a Mexican in China, the Mexican Consul shall listen to his complaint, and try to obtain a friendly settlement. Should the Consul be unable to reconcile the parties, the case is then to be submitted, in all equity, whether the plaintiff be a Mexican or a Chinese, only to the Court to which the accused is subject.

ARTICLE XIV.—**Criminal cases.**—Mexican citizens in China who may commit any crime against Chinese subjects, shall be arrested by the Mexican Consular authorities and punished in accordance with the laws of Mexico.

Chinese subjects guilty of criminal acts against Mexican citizens in China, shall be arrested and punished by the Chinese authorities in conformity with the laws of China.

As a general rule, every civil or criminal suit instituted in China, between the citizens or subjects of the two Contracting Parties, shall be tried only according to the laws and by the authorities of the country to which the defendant or accused belongs.

Fraud, robbery.—The High Contracting Parties shall not be bound to reimburse any money that has been stolen or obtained by fraud, or owing by a citizen or subject of one of the two countries to a subject or citizen of the other country. In case of robbery or fraud the proceedings to be instituted shall be in accordance with the laws of the country to which the accused belongs, and in case of debt, the authorities of the country of the debtor shall do all they can to make the debtor comply with his obligation.

Chinese criminals to be surrendered.—Should Chinese subjects in China, who are principal actors or accomplices of a crime, take refuge in the

houses, warehouses or on board the merchant vessels of Mexican citizens, the Chinese authorities shall lay the facts in this case before the Mexican Consular Officers, and they shall conjointly appoint agents for the apprehension of the criminals, who shall not be protected nor hidden.

ARTICLE XV.—**Jurisdiction over Mexicans in China.**—All legal questions that may arise in China between Mexican citizens concerning their persons or property shall be subject to the exclusive jurisdiction of the Mexican authorities. Suits instituted in China between Mexican citizens and foreigners shall be decided only by the authorities of their respective countries.

When Chinese shall be concerned in suits, the proceedings shall be in accordance with the provisions of the two preceding articles.

Should the Chinese Government think proper, hereafter, to establish, in accord with foreign powers, a code for the purpose of settling the matter of jurisdiction over foreign subjects in China, Mexico shall have an equal share in said agreement.

ARTICLE XVI.—**Punishment of disturbers of peace.**—Persons, of whatever condition they may be, who may land from vessels of one of the High Contracting Parties, at an open port of the other, and cause any disturbance on shore, within twenty four hours of their landing, shall be punished by the proper local authorities, but only with fine or imprisonment in accordance with the usages established at said port.

Collisions in Chinese waters.—The questions arising from collisions in Chinese waters between vessels of the two countries, shall be decided by the authorities of the accused in accordance with the legal regulations in force in all countries respecting collisions.

Should the complainant not be satisfied with the decision, the agents of the country to which he belongs shall be authorized to apply officially to the authorities that have tried the offender, and they shall retry the case and give a final and equitable decision on the same.

ARTICLE XVII.—**Legal rights of Chinese in Mexico.**—Chinese subjects in Mexico shall have free access to the judicial tribunals of the country for the defense of their legitimate rights. They shall enjoy, in this respect, the same rights and concessions enjoyed by Mexicans or by subjects of the most favored nation.

ARTICLE XVIII.—**English text authoritative.**—This Treaty shall be engrossed in the three languages Spanish, Chinese and English; the Spanish text shall be observed in Mexico, the Chinese text in China, and, in case of disagreement, the English version shall be decisive.

ARTICLE XIX.—**Revision.**—This Treaty shall remain in force for ten years reckoned from the day of the exchange of ratications. The High Contracting Parties can, at the expiration of that time, propose modifications by means of a notice to be given six months in advance; and if neither of them should do so, the Treaty shall continue to remain in force in all its provisions until the expiration of one year after one of the Parties has expressed to the other its intention of terminating it.

ARTICLE XX.—This Treaty shall be ratified by the two High Contracting

Parties and the ratifications shall be exchanged at Washington, as soon as possible.†

In witness whereof, we, the respective Plenipotentiaries, have signed this Treaty and have hereunto affixed our respective seals.

Done at Washington, in two originals in three languages Spanish, Chinese and English, this fourteenth day of December of the year One thousand eight hundred and ninety nine of the Christian era, corresponding to the twelfth day of the eleventh moon of the twenty-fifth year of Kwang-Hsu.

[SEAL] MANUEL DE AZPIROZ.
[SEAL] WU TING-FANG.

NUMBER 1900/1.

FRANCE AND GREAT BRITAIN.

Exchange of notes respecting regulations to be applied in any future extension of the British or French concession at Hankow.—January 15, 1900.*

(1).—*Note Verbale communicated to M. Cambon.*

It is understood on the part of Her Majesty's Government that, in the event of any extension of the French Concession at Hankow being obtained subsequently to this date, the following conditions as regards British property therein will be strictly observed:—

1. All deeds applying to British property to be registered in the British Consulate.

2. All Municipal Regulations to be submitted to Her Majesty's Minister at Peking before they can be enforced on British subjects.

3. All titles to British property which are declared in order by the British Consul-General are to be so considered by the French authorities.

With respect to the British claims to land situated in the present French Concession, which are believed to be four in number, and all of which are represented by Mr. Greaves, of Hankow, as it is understood that the validity of the titles is questioned by the French authorities, Her Majesty's Government consent to the question being referred to the British and French Consuls-General at Shanghai, and failing an agreement being arrived at by them, to an Arbitrator, by whom the matter would be decided in accordance with precedent and local usage.

Foreign Office, London, December 22, 1899.

* Text, and translation from the French text, as printed in *Hertslet,* p. 589.
† Ratifications exchanged at Washington, July 19, 1900.

(2).—*M. Cambon to the Marquess of Salisbury.*†

Embassy of France, London, January 15, 1900.

M. LE MARQUIS,

I have the honor to acknowledge the receipt from Your Lordship of the memorandum that you were so good as to send me, on December 22 last, on the subject of the Regulations to be applied in the French Concession at Hankow, in the event of its being extended.

My Government, to which I have not failed to refer it, instructs me to make known to you that it gives its adherence to the four points embodied in that document. It is, on the other hand, clearly understood between the two Governments that, in case the British Concession should hereafter be extended, the conditions hereinafter set forth would be applied, insofar as concerns such lands belonging to Frenchmen as might be found situated in the area to be included in the British Concession:—

1. All documents relative to French properties must be registered at the French Consulate.

2. All Municipal Regulations must be submitted to the Minister of France at Peking, before they may be applied to French citizens.

3. All the title-deeds of properties belonging to Frenchmen which are recognized as valid by the French Consul are to be accepted as such by the British authorities.

Accept, etc. PAUL CAMBON.

NUMBER 1900/2.

UNITED STATES AND FRANCE, GERMANY, GREAT BRITAIN, ITALY, JAPAN AND RUSSIA.

Declarations accepting the commercial policy of the "Open Door." *— *March 20, 1900.*‡

(I.)—FRANCE.

MR. HAY TO MR. VIGNAUD.

No. 664.] DEPARTMENT OF STATE,
Washington, September 6, 1899.

SIR: I have to enclose, for your confidential information, copies of instructions I have sent under this date to the United States Ambassadors at London,

* Text and translations as printed in *Rockhill*, p. 185. Printed also in *For. Rel.*, 1899; *Malloy*, p. 244; *H. Doc.*, 547, 56th Congress, 1st session. In further reference to the "open door" agreement, consult Moore's *International Law Digest*, vol. 5, pp. 534-549, and *China, 1900, No. 5.*

In connection with this agreement see also Secretary Hay's Circular to the Powers, July 3, 1900, setting forth the policy of seeking a solution of the Boxer disturbances "which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly Powers by Treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire." (*For. Rel., 1900, pp. 299 et seq.*)

† Translation.

‡ The date is that of Secretary Hay's instruction to American diplomatic representatives,

Berlin, and St. Petersburg in reference to the desire of this Government that the Governments of Great Britain, Germany, and Russia make formal declaration of an "open-door" policy in the territories held by them in China.

I am, etc., JOHN HAY.

(Enclosures: To London, No. 205, September 6, 1899. To Berlin, No. 927, September 6, 1899. To St. Petersburg, No. 82, September 6, 1899.)

MR. HAY TO MR. PORTER.

[Telegram.]

DEPARTMENT OF STATE,
Washington, November 21, 1899.

PORTER, *Ambassador, Paris.*

Informally submit to French Government form of declaration outlined in enclosures with instruction No. 664 of September 6 and ask whether France will join.

HAY.

MR. DELCASSÉ TO MR. PORTER.

[Translation.]

FOREIGN AFFAIRS.

(Received at United States Embassy at Paris, December 16, 1899.)

MY DEAR AMBASSADOR: I find your note awaiting me on my return. The declarations which I made in the Chamber on the 24th of November last, and which I have had occasion to recall to you since then, show clearly the sentiments of the Government of the Republic. It desires throughout the whole of China and, with the quite natural reservation that all the Powers interested give an assurance of their willingness to act likewise, is ready to apply in the territories which are leased to it, equal treatment to the citizens and subjects of all nations, especially in the matter of customs duties and navigation dues, as well as transportation tariffs on railways.

I beg you, my dear Ambassador, to accept, etc.

DELCASSÉ.

embodying the notification of the acceptance of the American proposal by all the Governments concerned.

(II.)—GERMANY.

Mr. Hay to Mr. White.

No. 927.] Department of State,
Washington, September 6, 1899.

Sir: At the time when the Government of the United States was informed by that of Germany that it had leased from His Majesty the Emperor of China the port of Kiao-chao and the adjacent territory in the province of Shantung, assurances were given to the Ambassador of the United States at Berlin by the Imperial German Minister for Foreign Affairs that the rights and privileges insured by treaties with China to citizens of the United States would not thereby suffer or be in anywise impaired within the area over which Germany had thus obtained control.

More recently, however, the British Government recognized by a formal agreement with Germany the exclusive right of the latter country to enjoy in said leased area and the contiguous "sphere of influence or interest" certain privileges, more especially those relating to railroads and mining enterprises; but, as the exact nature and extent of the rights thus recognized have not been clearly defined, it is possible that serious conflicts of interests may at any time arise, not only between British and German subjects within said area, but that the interests of our citizens may also be jeopardized thereby.

Earnestly desirous to remove any cause of irritation and to insure at the same time to the commerce of all nations in China the undoubted benefits which should accrue from a formal recognition by the various Powers claiming "spheres of interest" that they shall enjoy perfect equality of treatment for their commerce and navigation within such "spheres," the Government of the United States would be pleased to see His German Majesty's Government give formal assurances, and lend its cooperation in securing like assurances from the other interested Powers, that each within its respective sphere of whatever influence—

First. Will in no way interfere with any treaty port or any vested interest within any so-called "sphere of interest" or leased territory it may have in China.

Second. That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third. That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

The liberal policy pursued by His Imperial German Majesty in declaring Kiao-chao a free port and in aiding the Chinese Government in the establishment there of a custom-house are so clearly in line with the proposition which this Government is anxious to see recognized that it entertains the strongest hope that Germany will give its acceptance and hearty support.

The recent Ukase of His Majesty the Emperor of Russia declaring the port of Ta-lien-wan open during the whole of the lease under which it is held from China to the merchant ships of all nations, coupled with the categorical assurances made to this Government by His Imperial Majesty's representative at this capital at the time, and since repeated to me by the present Russian Ambassador, seem to insure the support of the Emperor to the proposed measure. Our Ambassador at the Court of St. Petersburg has in consequence been instructed to submit it to the Russian Government and to request their early consideration of it. A copy of my instruction on the subject to Mr. Tower is herewith enclosed for your confidential information.

The commercial interests of Great Britain and Japan will be so clearly served by the desired declaration of intentions, and the views of the Governments of these countries as to the desirability of the adoption of measures insuring the benefits of equality of treatment of all foreign trade throughout China are so similar to those entertained by the United States, that their acceptance of the propositions herein outlined and their cooperation in advocating their adoption by the other Powers can be confidently expected. I enclose herewith copy of the instruction which I have sent to Mr. Choate on the subject.

In view of the present favorable conditions, you are instructed to submit the above considerations to His Imperial German Majesty's Minister for Foreign Affairs, and to request his early consideration of the subject.

Copy of this instruction is sent to our Ambassadors at London and at St. Petersburg for their information.

I have, etc., JOHN HAY.

(Enclosures: To London, September 6, 1899, No. 205. To St. Petersburg, September 6, 1899, No. 82.)

COUNT VON BÜLOW TO MR. WHITE.

[Translation.]

FOREIGN OFFICE,
Berlin, February 19, 1900.

MR. AMBASSADOR: Your Excellency informed me, in a memorandum presented on the 24th of last month, that the Government of the United States of America had received satisfactory written replies from all the Powers to which an inquiry had been addressed similar to that contained in Your Excellency's note of September 26 last, in regard to the policy of the open door in China. While referring to this, Your Excellency thereupon expressed the wish that the Imperial Government would now also give its answer in writing.

Gladly complying with this wish, I have the honor to inform Your Excellency, repeating the statements already made verbally, as follows: As recog-

nized by the Government of the United States of America, according to Your Excellency's note referred to above, the Imperial Government has, from the beginning, not only asserted, but also practically carried out to the fullest extent, in its Chinese possessions absolute equality of treatment of all nations with regard to trade, navigation, and commerce. The Imperial Government entertains no thought of departing in the future from this principle, which at once excludes any prejudicial or disadvantageous commercial treatment of the citizens of the United States of America, so long as it is not forced to do so, on account of considerations of reciprocity, by a divergence from it by other governments. If, therefore, the other Powers interested in the industrial development of the Chinese Empire are willing to recognize the same principles, this can only be desired by the Imperial Government, which in this case upon being requested will gladly be ready to participate with the United States of America and the other Powers in an agreement made upon these lines, by which the same rights are reciprocally secured.

I avail myself, etc. BÜLOW.

(III.)—GREAT BRITAIN.

MR. CHOATE TO LORD SALISBURY.

EMBASSY OF THE UNITED STATES,
London, September 22, 1899.

MY LORD: I am instructed by the Secretary of State to present to Your Lordship a matter which the President regards as of great and equal importance to Great Britain and the United States—in the maintenance of trade and commerce in the East, in which the interest of the two nations differs, not in character, but in degree only—and to ask for action on the part of Her Majesty's Government which the President conceives to be in exact accord with its uniformly declared policy and traditions, and which will greatly promote the welfare of commerce.

He understands it to be the settled policy and purpose of Great Britain not to use any privileges which may be granted to it in China as a means of excluding any commercial rivals, and that freedom of trade for it in that Empire means freedom of trade for all the world alike. Her Majesty's Government, while conceding by formal agreements with Germany and Russia the possession of "spheres of influence or interest" in China, in which they are to enjoy especial rights and privileges, particularly in respect to railroads and mining enterprises, has at the same time sought to maintain what is commonly called the "open-door" policy, to secure to the commerce and navigation of all nations equality of treatment within such "spheres." The maintenance of this policy is alike urgently demanded by the commercial communities of our two nations, as it is justly held by them to be the only one which will improve

existing conditions, enable them to maintain their positions in the markets of China, and extend their future operations.

While the Government of the United States will in no way commit itself to any recognition of the exclusive rights of any power within or control over any portion of the Chinese Empire, under such agreements as have been recently made, it can not conceal its apprehensions that there is danger of complications arising between the treaty powers which may imperil the rights insured to the United States by its treaties with China.

It is the sincere desire of my Government that the interests of its citizens may not be prejudiced through exclusive treatment by any of the controlling powers within their respective "spheres of interests" in China, and it hopes to retain there an open market for all the world's commerce, remove dangerous sources of international irritation, and thereby hasten united action of the powers at Pekin to promote administrative reforms so greatly needed for strengthening the Imperial Government and maintaining the integrity of China, in which it believes the whole western world is alike concerned. It believes that such a result may be greatly aided and advanced by declarations by the various Powers claiming "spheres of interest" in China as to their intentions in regard to the treatment of foreign trade and commerce therein, and that the present is a very favorable moment for informing Her Majesty's Government of the desire of the United States to have it make on its own part and to lend its powerful support in the effort to obtain from each of the various Powers claiming "spheres of interest" in China a declaration substantially to the following effect:

(1) That it will in no wise interfere with any treaty port or any vested interest within any so-called "sphere of interest" or leased territory it may have in China.

(2) That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within such "spheres of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

(3) That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

The President has strong reason to believe that the Governments of both Russia and Germany will cooperate in such an understanding as is here proposed. The recent Ukase of His Majesty the Emperor of Russia declaring the port of Ta-lien-wan open to the merchant ships of all nations during the whole term of the lease under which it is to be held by Russia removes all uncertainty as to the liberal and conciliatory policy of that Power, and justifies the expectation that His Majesty would accede to the similar request of the United States now being presented to him and make the desired declaration.

The recent action of Germany in declaring the port of Kiao-chao a "free port" and the aid which its Government has given China in establishing there a Chinese custom-house, coupled with oral assurances given the United States by Germany that the interests of the United States and its citizens within its "sphere" would in no wise be affected by its occupation of this portion of the province of Shantung, encourage the belief that little opposition is to be anticipated to the President's request for a similar declaration from that Power.

It is needless also to add that Japan, the Power next most largely interested in the trade of China, must be in entire sympathy with the views here expressed, and that its interests will be largely served by the proposed arrangement; and the declarations of its statesmen within the last year are so entirely in line with it that the cooperation of that Power is confidently relied upon.

It is therefore with the greatest pleasure that I present this matter to Your Lordship's attention and urge its prompt consideration by Her Majesty's Government, believing that the action is in entire harmony with its consistent theory and purpose, and that it will greatly redound to the benefit and advantage of all commercial nations alike. The prompt and sympathetic cooperation of Her Majesty's Government with the United States in this important matter will be very potent in promoting its adoption by all the Powers concerned.

I have, etc.,

JOSEPH H. CHOATE.

LORD SALISBURY TO MR. CHOATE.

FOREIGN OFFICE,
London, September 29, 1899.

YOUR EXCELLENCY: I have read with great interest the communication which you handed to me on the 23d instant, in which you inform me of the desire of the United States Government to obtain from the various Powers claiming spheres of interest in China declarations as to their intentions in regard to the treatment of foreign trade and commerce therein.

I have the honor to inform Your Excellency that I will lose no time in consulting my colleagues in regard to a declaration by Her Majesty's Government and on the proposal that they should cooperate with the Government of the United States in obtaining similar declarations by the other Powers concerned.

In the meantime, I may assure Your Excellency that the policy consistently advocated by this country is one of securing equal opportunity for the subjects and citizens of all nations in regard to commercial enterprise in China, and from this policy Her Majesty's Government have no intention or desire to depart.

I have, etc.,

SALISBURY.

LORD SALISBURY TO MR. CHOATE.

FOREIGN OFFICE,
London, November 30, 1899.

YOUR EXCELLENCY: With reference to my note of September 29 last, I have the honor to state that I have carefully considered, in communication with my colleagues, the proposal contained in Your Excellency's note of September 22 that a declaration should be made by foreign Powers claiming "spheres of interest" in China as to their intentions in regard to the treatment of foreign trade and interest therein.

I have much pleasure in informing Your Excellency that Her Majesty's Government will be prepared to make a declaration in the sense desired by your Government in regard to the leased territory of Wei-hai Wei and all territory in China which may hereafter be acquired by Great Britain by lease or otherwise, and all spheres of interest now held or that may hereafter be held by her in China, provided that a similar declaration is made by other Powers concerned.

I have, etc.,

SALISBURY.

MR. CHOATE TO LORD SALISBURY.

EMBASSY OF THE UNITED STATES,
London, December 6, 1899.

MY LORD: I have the honor to acknowledge the receipt of Your Lordship's note of November 30, in which you inform me that, after having carefully considered, in connection with your colleagues, the proposals contained in my note of September 22 last, Her Majesty's Government is prepared to make a declaration in the sense desired by my Government in regard to the leased territory of Wei-hai Wei and all territory in China which may hereafter be acquired by Great Britain by lease or otherwise, and all "spheres of interest" now held, or which may hereafter be held, by her in China, provided that a similar declaration is made by other Powers.

In acknowledging Your Lordship's note, I have also, under instructions from the Secretary of State, to express to Your Lordship the gratification he feels at the cordial acceptance by Her Britannic Majesty's Government of the proposals of the United States.

I have, etc., JOSEPH H. CHOATE.

(IV.)—ITALY.

Mr. Hay to Mr. Draper.

No. 434.] Department of State,
Washington, November 17, 1899.

Sir: This Government, animated with a sincere desire to insure to the commerce and industry of the United States and of all other nations perfect equality of treatment within the limits of the Chinese Empire for their trade and navigation, especially within the so-called "spheres of influence or interest" claimed by certain European Powers in China, has deemed the present an opportune moment to make representations in this direction to Germany, Great Britain, Japan, and Russia.

To attain the object it has in view and to remove possible causes of international irritation and reestablish confidence so essential to commerce, it has seemed to this Government highly desirable that the various Powers claiming "spheres of interest or influence" in China should give formal assurances that—

First. They will in no way interfere with any treaty port or any vested interest within any so-called "sphere of interest" or leased territory they may have in China.

Second. The Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third. They will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of their own nationality, and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to their own nationals transported over equal distances.

The policy pursued by His Imperial German Majesty in declaring Tsing-tao (Kiao-chao) a free port and in aiding the Chinese Government in establishing there a custom-house and the Ukase of His Imperial Russian Majesty of August 11 last erecting a free port at Dalny (Ta-lien-wan) are thought to be proof that these Powers are not disposed to view unfavorably the proposition to recognize that they contemplate nothing which will interfere in any way with the enjoyment by the commerce of all nations of the rights and privileges guaranteed to them by existing treaties with China.

Repeated assurances from the British Government of its fixed policy to maintain throughout China freedom of trade for the whole world insure, it is believed, the ready assent of that Power to our proposals. The commercial interests of Japan will also be greatly served by the above-mentioned declaration, which harmonizes with the assurances conveyed to this Government at various times by His Imperial Japanese Majesty's diplomatic representative at this capital.

In view of the important and growing commercial interests of Italy in eastern Asia, it would seem desirable that His Majesty's Government should also be informed of the steps taken by the United States to insure freedom of trade in China, in which it would find equal advantages to those which the other nations of Europe expect.

You are therefore instructed to submit to His Majesty's Minister for Foreign Affairs the above considerations and to invite his early attention to them, expressing, in the name of your Government, the hope that they will prove acceptable, and that His Majesty's Government will lend its aid and valuable assistance in securing their acceptance by the other interested Powers.

I enclose, for your personal and confidential information, copies of the instructions sent to our Ambassadors at Berlin, London, St. Petersburg, and to our Minister at Tokyo.

I am, etc., JOHN HAY.

(Enclosures: To Great Britain, to Russia, to Germany, September 6, 1899. To Japan, November 13, 1899.)

THE MARQUIS VISCONTI VENOSTA TO MR. DRAPER.

[Translation.]

ROME, *January 7, 1900.*

MR. AMBASSADOR: Supplementary to what you had already done me the honor of communicating to me in your note of December 9, 1899, Your Excellency informed me yesterday of the telegraphic note received from your Government that all the Powers consulted by the Cabinet of Washington concerning the suitability of adopting a line of policy which would insure to the trade of the whole world equality of treatment in China have given a favorable reply.

Referring to your communications and to the statements in my note of December 23 last, I take pleasure in saying that the Government of the King adheres willingly to the proposals set forth in said note of December 9.

I beg Your Excellency to kindly convey the notice of our adhesion to the Cabinet of Washington, and I avail myself of the occasion to renew to you, etc.

VISCONTI VENOSTA.

(V.)—JAPAN.

MR. HAY TO MR. BUCK.

No. 263.] DEPARTMENT OF STATE,
Washington, November 13, 1899.

SIR: This Government, animated with a sincere desire to insure to the commerce and industry of the United States and of all other nations perfect equality of treatment within the limits of the Chinese Empire for their trade

and navigation, especially within the so-called "spheres of influence or interest" claimed by certain European Powers in China, has deemed the present an opportune moment to make representations in this direction to Germany, Great Britain, and Russia.

To obtain the object it has in view and to remove possible causes of international irritation and reestablish confidence so essential to commerce, it has seemed to this Government highly desirable that the various Powers claiming "spheres of interest or influence" in China should give formal assurances that—

First. They will in no way interfere with any treaty port or any vested interest within any so-called "sphere of interest" or leased territory they may have in China.

Second. The Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third. They will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of their own nationality, and no higher railroad charges over lines built, controlled, or operated within such "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to their own nationals transported over equal distances.

The policy pursued by His Imperial German Majesty in declaring Tsingtao (Kiao-chao) a free port and in aiding the Chinese Government in establishing there a custom-house, and the Ukase of His Imperial Russian Majesty of August 11 last erecting a free port at Dalny (Ta-lien-wan) are thought to be proof that these Powers are not disposed to view unfavorably the proposition to recognize that they contemplate nothing which will interfere in any way with the enjoyment by the commerce of all nations of the rights and privileges guaranteed to them by existing treaties with China.

Repeated assurances from the Brititsh Government of its fixed policy to maintain throughout China freedom of trade for the whole world insure, it is believed, the ready assent of that Power to our proposals. It is no less confidently believed that the commercial interests of Japan would be greatly served by the above-mentioned declaration, which harmonizes with the assurances conveyed to this Government at various times by His Imperial Japanese Majesty's diplomatic representative at this capital.

You are therefore instructed to submit to His Imperial Japanese Majesty's Government the above considerations, and to invite their early attention to them, and express the earnest hope of your Government that they will accept them and aid in securing their acceptance by the other interested Powers.

I am, etc.,

JOHN HAY.

VISCOUNT AOKI TO MR. BUCK.

[Translation.]

DEPARTMENT OF FOREIGN AFFAIRS,
Tokyo, the 26th day, the 12th month of the 32d year of Meiji.
(December 26, 1899.)

MR. MINISTER: I have the honor to acknowledge the receipt of the note No. 176 of the 20th instant, in which, pursuing the instructions of the United States Government, Your Excellency was so good as to communicate to the Imperial Government the representations of the United States as presented in notes to Russia, Germany, and Great Britain on the subject of commercial interests of the United States in China.

I have the happy duty of assuring Your Excellency that the Imperial Government will have no hesitation to give their assent to so just and fair a proposal of the United States, provided that all the other Powers concerned shall accept the same.

I avail myself, etc.,

VISCOUNT AOKI SIUZO,
Minister for Foreign Affairs.

(VI.)—RUSSIA.

MR. HAY TO MR. TOWER.

No. 82.] DEPARTMENT OF STATE,
Washington, September 6, 1899.

SIR: In 1898, when his Imperial Majesty had, through his diplomatic representative at this capital, notified this Government that Russia had leased from His Imperial Chinese Majesty the ports of Port Arthur, Ta-lien-wan, and the adjacent territory in the Liao-tung Peninsula in northeastern China for a period of twenty-five years, your predecessor received categorical assurances from the Imperial Minister for Foreign Affairs that American interests in that part of the Chinese Empire would in no way be affected thereby, neither was it the desire of Russia to interfere with the trade of other nations, and that our citizens would continue to enjoy within said leased territory all the rights and privileges guaranteed them under existing treaties with China. Assurances of a similar purport were conveyed to me by the Emperor's Ambassador at this capital; while fresh proof of this is afforded by the Imperial Ukase of July 30/August 11 last, creating the free port of Dalny, near Ta-lien-wan, and establishing free trade for the adjacent territory.

However gratifying and reassuring such assurances may be in regard to the territory actually occupied and administered, it can not but be admitted that a further, clearer, and more formal definition of the conditions which are hence-

forth to hold within the so-called Russian "sphere of interest" in China as regards the commercial rights therein of our citizens is much desired by the business world of the United States, inasmuch as such a declaration would relieve it from the apprehensions which have exercised a disturbing influence during the last four years on its operations in China.

The present moment seems particularly opportune for ascertaining whether His Imperial Russian Majesty would not be disposed to give permanent form to the assurances heretofore given to this Government on this subject.

The Ukase of the Emperor of August 11 of this year, declaring the port of Ta-lien-wan open to the merchant ships of all nations during the remainder of the lease under which it is held by Russia, removes the slightest uncertainty as to the liberal and conciliatory commercial policy His Majesty proposes carrying out in northeastern China, and would seem to insure us the sympathetic and, it is hoped, favorable consideration of the propositions hereinafter specified.

The principles which this Government is particularly desirous of seeing formally declared by His Imperial Majesty and by all the great Powers interested in China, and which will be eminently beneficial to the commercial interests of the whole world, are:

First. The recognition that no Power will in any way interfere with any treaty port or any vested interest within any leased territory or within any so-called "sphere of interest" it may have in China.

Second. That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third. That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

The declaration of such principles by His Imperial Majesty would not only be of great benefit to foreign commerce in China, but would powerfully tend to remove dangerous sources of irritation and possible conflict between the various Powers; it would reestablish confidence and security; and would give great additional weight to the concerted representations which the treaty Powers may hereafter make to His Imperial Chinese Majesty in the interest of reform in Chinese administration so essential to the consolidation and integrity of that Empire, and which, it is believed, is a fundamental principle of the policy of His Majesty in Asia.

Germany has declared the port of Kiao-chao, which she holds in Shantung under a lease from China, a free port and has aided in the establishment there of a branch of the Imperial Chinese Maritime Customs. The Imperial German Minister for Foreign Affairs has also given assurances that American trade would not in any way be discriminated against or interfered with, as there is

no intention to close the leased territory to foreign commerce within the area which Germany claims. These facts lead this Government to believe that the Imperial German Government will lend its cooperation and give its acceptance to the proposition above outlined, and which our Ambassador at Berlin is now instructed to submit to it.

That such a declaration will be favorably considered by Great Britain and Japan, the two other Powers most interested in the subject, there can be no doubt; the formal and oft-repeated declarations of the British and Japanese Governments in favor of the maintenance throughout China of freedom of trade for the whole world insure us, it is believed, the ready assent of these Powers to the declaration desired.

The acceptance by His Imperial Majesty of these principles must therefore inevitably lead to their recognition by all the other Powers interested, and you are instructed to submit them to the Emperor's Minister for Foreign Affairs and urge their immediate consideration.

A copy of this instruction is sent to our Ambassadors at London and Berlin for their confidential information, and copies of the instructions sent to them on this subject are enclosed herewith.

I have, etc., JOHN HAY.

(Enclosures: To London, September 6, 1899, No. 205. To Berlin, September 6, 1899, No. 927.)

COUNT MOURAVIEFF TO MR. TOWER.

[Translation.]

MINISTRY OF FOREIGN AFFAIRS,
December 18–30, 1899.

MR. AMBASSADOR: I had the honor to receive Your Excellency's note dated the 8th–20th of September last, relating to the principles which the Government of the United States would like to see adopted in commercial matters by the Powers which have interests in China.

In so far as the territory leased by China to Russia is concerned, the Imperial Government has already demonstrated its firm intention to follow the policy of "the open door" by creating Dalny (Ta-lien-wan) a free port; and if at some future time that port, although remaining free itself, should be separated by a customs limit from other portions of the territory in question, the customs duties would be levied, in the zone subject to the tariff, upon all foreign merchandise without distinction as to nationality.

As to the ports now opened or hereafter to be opened to foreign commerce by the Chinese Government, and which lie beyond the territory leased to Russia, the settlement of the question of customs duties belongs to China herself, and the Imperial Government has no intention whatever of claiming any privileges for its own subjects to the exclusion of other foreigners. It is to be understood, however, that this assurance of the Imperial Government is given upon condition

that a similar declaration shall be made by other Powers having interests in China.

With the conviction that this reply is such as to satisfy the inquiry made in the aforementioned note, the Imperial Government is happy to have complied with the wishes of the American Government, especially as it attaches the highest value to anything that may strengthen and consolidate the traditional relations of friendship existing between the two countries.

I beg you to accept, etc.,

COUNT MOURAVIEFF.

INSTRUCTIONS SENT *MUTATIS MUTANDIS* TO THE UNITED STATES AMBASSADORS AT LONDON, PARIS, BERLIN, ST. PETERSBURG, AND ROME, AND TO THE UNITED STATES MINISTER AT TOKYO.

DEPARTMENT OF STATE,
Washington, March 20, 1900.

SIR: The ——— Government having accepted the declaration suggested by the United States concerning foreign trade in China, the terms of which I transmitted to you in my instruction No. — of ———, and like action having been taken by all the various Powers having leased territory or so-called " spheres of interest " in the Chinese Empire, as shown by the notes which I herewith transmit to you,‡ you will please inform the Government to which you are accredited that the condition originally attached to its acceptance—that all other Powers concerned should likewise accept the proposals of the United States—having been complied with, this Government will therefore consider the assent given to it by ——— as final and definitive.

You will also transmit to the Minister for Foreign Affairs copies of the present enclosures, and by the same occasion convey to him the expression of the sincere gratification which the President feels at the successful termination of these negotiations, in which he sees proof of the friendly spirit which animates the various Powers interested in the untrammeled development of commerce and industry in the Chinese Empire, and a source of vast benefit to the whole commercial world.

I am, etc., JOHN HAY.

‡ All printed *ante*.

NUMBER 1900/3.

GERMANY (Schantung Eisenbahn Gesellschaft) AND CHINA.

Regulations for the Kiaochow-Tsinanfu Railway.—March 21, 1900.*

His Excellency the Governor of the Province of Shantung Yuan Shih Kai, and His Excellency the Lieutenant General Yin Chang, upon petition of the Governor of Shantung especially delegated by Imperial decree to these negotiations, on the one side, and the Managing Board of the Shantung Railway Company at Tsingtau, represented by Mr. H. Hildebrand, a Royal Inspector of Prussian Railways, on the other side, have in order to prevent excitements and disturbances of any kind in Shantung during the period of building the railway and to maintain friendly relations between the population of this province and the Company agreed upon the following Railway Regulations with regard to the line of railway between the boundaries of the German Leased Territory and Tsinanfu, subject to the approval of the Board of Directors of the Shantung Railway Company in Berlin and reduced to writing in Chinese and German texts of like tenour.

Art. 1.—In accordance with Art. 4, section 2, of the aforesaid Kiauchou Convention a German-Chinese Railway Company shall be formed, issuing shares to German and Chinese subjects. This Company shall for the present be exclusively under German management. It shall half-yearly notify the Chiao Se Chue at Tsinanfu of the number of shares purchased by Chinese. As soon as the amount of such shares has reached Taels 100,000, the Governor of the Province of Shantung shall delegate a Chinese official for co-operation at the Company's siege.

Art. 2.—Should in future branches of the Administration of the Company be established in Shantung, one Chinese official shall be delegated to each one of them.

Art. 3.—Officials or respectable citizens shall be consulted upon the location of the railway, in order to take as far as possible into consideration the interests of the population. To avoid difficulties in negotiations, these shall be conducted on the Chinese side by Chinese officials delegated by the Governor of Shantung. The technical determinations of the location of line shall be left to the Company's engineers. A sketch plan of the line's location, done in a scale of 1 : 25000 shall be submitted to the Governor of Shantung for information and only thereafter land may be purchased. The construction of the railway cannot be begun before the land has actually been purchased.

The purchase of land shall be done peacefully and quickly as hitherto, so that the construction of the railway be not delayed by purchasing land or by difficulties arising from disputes with individual owners. To avoid all such difficulties the above mentioned Chinese official shall act as mediator when land

* Translation from the German text. See Note to this document, *post*, p. 240.

is purchased and shall settle all disputes eventually arising. The land shall be purchased in an honest way according to the locally customary ruling price.

The Company shall not be allowed to buy more land than necessary for the railway enterprise, and future extensions thereof.

Meanwhile the following minima may be purchased:

for stopping points	a plot of land 630 m. long & 70 m. wide
" country stations	" " " " 730 m. " & 100 m. "
" small town stations	" " " " 850 m. " & 130 m. "
" stations of larger towns	the plots of land have to be larger, corresponding to the actual importance of the place in question.

The land necessary for the supply of earth to construct embankments is not included in the foregoing areas. 1 m. is equal to 2 feet 9.6 inches, 1 foot is equal to 0.338 m.

Art. 4.—Wherever water-courses are met, sufficient flow has to be provided for by building bridges and culverts so that agriculture may suffer no damage.

Art. 5.—The railroad is to be located in such a way as not to damage or cut through city walls, fortifications, public edifices and important inhabited places.

Art. 6.—Houses, farmsteads and villages, temples, graves and above all high class graveyards belonging to the gentry which are fenced in and planted with trees shall be avoided by the railway as far as possible. So far as this is impossible the local authorities shall give notice to the owners two months beforehand and settle with them a compensation of an amount enabling to erect graveyards, etc., of the same condition at another place without sustaining any loss of money.

Art. 7.—In surveying the land to be purchased the "*kung*" shall be used as unit. One *kung* is equal to 5 official feet, one foot is equal to 0.338 m. One *Mu* is counted to be 360 *kung* or equal to 9000 square feet.

As to the land tax to be paid by the Shantung Railway Company the same regulations shall be applied as in force for the most favoured Railway Company in any other place of China.

Art. 8.—Injuries done to crops during preparatory or construction work are to be made good by the Company according to prices to be settled with the local authorities.

Art. 9.—The salaries of the assistants placed by the local authorities at the disposition of the Railway at its wish shall be paid by the latter. These salaries shall not be included in the price of land purchased.

The money for the land is to be paid into the hands of the District Magistrate, who is responsible for the proper payment to the different owners entitled to receive the money.

The District Magistrate also has to hand over the title deeds to the Railway Company.

Art. 10.—The Railway Administration intending to rent houses for offices and residences near the work-places shall apply to the District Magistrate who

will make the necessary arrangements with the owners and will on its behalf conclude the contracts.

Art. 11.—The purchase of material necessary for the construction of the railway shall be transacted in a fair manner and the usual market price shall be paid for same. If necessary the intervention of the District Magistrate shall be applied for.

Art. 12.—The exchange of different kinds of money shall always be done at the rate ruling on the day.

Art. 13.—The Railway Company is not permitted to construct without special permission of the Governor of Shantung other railroads than those mentioned in the Kiauchou Convention, including the branch line to Poshanhsien.

Branch lines connecting coal and other mines and places where building or ballasting materials are to be taken, connecting with the main line, may be built without special authorization. It is, however, understood that previous notice of the construction of such lines has to be given to the Governor of Shantung.

Art. 14.—Foreigners, travelling or doing business in the interior of the Province of Shantung, in order to enjoy better protection, must be provided with passports duly sealed by the proper Chinese and German authorities. Chinese local authorities cannot assume responsibility if such a passport is not produced.

Art. 15.—German and Chinese employees of the Railway Company are to be provided with certificates attested by the seals of the Railway Administration and of the Local Authorities, in order, when necessary, to prove their official capacity.

The engineers, when surveying, shall be accompanied by an official, delegated by the District Magistrate. This official shall, if necessary by police force, render assistance in protecting the property of the Railway Company and the survey poles.

Persons fraudulently pretending to be employees of the Railway Company shall be arrested and punished by the Local Authorities.

Art. 16.—Troops, eventually necessary for the protection of the railway will be stationed by the Governor of the Province of Shantung. Therefore outside the 100-*li* zone no foreign troops shall be employed for this purpose.

The Governor of the Province of Shantung binds himself to take effective measures during the period of surveying as well as when the railway is under construction or opened for traffic to prevent any damage being done to it by the mob or by rebels.

Art. 17.—Development of trade and communications being the only purpose of the railway, no transport of foreign troops and their war materials shall be allowed on it.

The Railway Administration however is not to be held responsible for such transport when brought into a position of constraint by war or similar circumstances. On the other hand the Governor of the Province of Shantung will not be responsible for the protection of sections of the railway being in the hands of the enemy.

The conditions of this article are not be applied to the section of the railway within the 100-*li* zone.

Art. 18.—Freightage for foodstuffs and clothing to be distributed amongst the distressed during famines and floods, shall be reduced according to the rules adopted by the railways of Germany and when troops are dispatched to suppress rebellions the same is to be applied to the fares for soldiers and to the freightages for their war materials.

Art. 19.—At railway stations, where custom-houses are established the Railway Administration shall make such arrangements as to assist the Imperial Chinese Customs in collecting the legal dues.

The expenses for the necessary buildings, to be erected upon application of the Customs Administration are to be refunded by the latter to the Railway Administration according to agreements always to be made beforehand.

Art. 20.—The natives of towns and villages near the railway shall be as far as possible engaged as workmen and as contractors for the supply of materials.

Art. 21.—Chinese subjects employed outside the leased territory by the Railway Company in case of contravention of Chinese law are subject to the jurisdiction of the competent District Magistrate.

The competent District Magistrate having officially notified the necessity of legal steps against such employees, the Railway Company shall not do anything by which he may evade justice.

Complaints against foreigners are to be dealt with according to the proper laws. In such cases, the Railway Company on its part shall make an investigation and take disciplinary proceedings against the offender.

Art 22.—The natives of districts, where the railway passes through shall as far as possible be employed at the work and shall be paid for as customary there.

If fights should occur between railway men and natives the local official will have the right to arrest and punish the guilty.

The workmen of the railway are absolutely prohibited unwarrantably to enter houses of natives. In case of contravention they will be severely punished.

Art. 23.—The construction of the railway being completed, foremen and workmen necessary for maintenance and safekeeping of the line are as far as practicable to be engaged from amongst the inhabitants of villages and towns near the line in conformity with suggestions made by the elders of these places. These elders will be responsible for the good behaviour of those engaged and will furnish them with certificates issued by the District Magistrate.

Art. 24.—The railway being opened to public traffic, its administration assumes the responsibility for any loss of life or goods caused by accidents and is liable to pay compensation to wounded or killed persons according to the local custom, and to cover any loss of goods according to detailed regulations to be drawn up by and published by the Company.

Likewise the Railway will be held responsible for damage to persons and property by construction trains through its neglect.

Art. 25.—The safety on the line being endangered by floods, slips of em-

bankments or breakages of bridges, etc., public traffic shall not be reopened before all these difficulties have been removed.

Art. 26.—Should the Railway Company apply for soldiers to protect the preparatory work, the construction or the traffic of the railway, the Governor of the Province of Shantung shall at once and effectually comply with such application. The amount to be contributed by the Company for the troops dispatched shall be the subject of a further understanding.

Art. 27.—In the German leased territory the rights of sovereignty are safeguarded by the Governor of Tsingtau. In the districts of the remaining part of the Province of Shantung through which the railway is running, the rights of sovereignty are safeguarded by the Governor of the Province of Shantung.

Art. 28.—It shall be the subject of further agreements when and under what conditions the Chinese Government may in future take over the railway.

The foregoing regulations after being approved shall be notified to the Authorities of the Shantung Province and to the officials of the railway. Thereupon they shall be duly observed.

Should it in future be deemed necessary to have alterations made of some of the above regulations or to have drawn up supplementary rules, this can only be done by mutual agreement between the then Governor of the Province of Shantung and the Shantung Railway Company.

This agreement is executed in two exemplars each of which contains a Chinese as well as a German version of like tenour. Each of the contracting parties has received one exemplar.

TSINANFU, the 21st of March 1900.

The Governor of the Province of Shantung
[Seal and signature of GOVERNOR YUAN SHIH KAI]
H. I. M.'s Special Delegate, Lieut. General,
[*sig.*] YIN CHANG.
Die Betriebsdirection der Schantung-Eisenbahn-Gesellschaft,
[*sig.*] H. HILDEBRAND.

Note.

In connection with these regulations, see the Convention for the lease of Kiaochow, March 6, 1898 (No. 1898/4, *ante*); and the Exchange of notes between Germany and China in regard to the extension of the Shantung Railway, December 31, 1913 (No. 1913/16, *post*).

The Schantung Eisenbahn Gesellschaft was a joint German and Chinese enterprise operating under a German charter or "concession" dated June 1, 1899, of which the following translation is given in *Rockhill*, p. 363:—

Charter of Schantung Eisenbahn Gesellschaft.—June 1, 1899.

"In response to a request made by the Deutsch-Asiatische Bank (German-Asiatic Bank), representing the Syndicate, formed for the establishment of a German-Chinese Company with the title of 'Schantung-Eisenbahn-Gessellschaft' (Shantung Railway Company), the Imperial Government agrees to grant to said company a concession for the construction and operation of a railway in the Chinese Province of Shantung, from Tsin-tao via Weihsien to Tsinan Fu with a branch line, starting from a point on the main line, to Poshan, according to the provisions of the German-Chinese Treaty of March 6, 1898, and under the following conditions:

"§ 1.—The construction and maintenance of the railway shall be proceeded with by a German-Chinese Company, to be organized by the Syndicate upon the basis of the contract hereto attached.

"This company will have its domicile at first in Berlin but will nevertheless remove the same to Tsin-tao within six months from the date of the granting of the concession.

"§ 2.—The capital for the construction and operation of the railway is fixed at 54 Million Marks.

"Care is to be taken that Germans as well as Chinese may participate in the public subscription to the stock of the Company. More especially, shall subscriptions be opened in the suitable commercial centers of East Asia, and the amounts there subscribed shall receive proper consideration.

"§ 3.—The management of the railway shall be domiciled at Tsin-tao. The election of the President of the Board of Directors as well as the Chief Operating Official must be approved by the Imperial Government.

"§ 4.—The following regulations govern the construction of the railway:

"I.—In the building of the railway lines the special preparatory work shall determine the best possible connection with the most important coal fields, more especially with those of Weihsien and Tzechuan as well as the chief cities and towns between Tsin-tao and Tsinan Fu, which, on account of their population or other significance, must be considered in their relation to railway traffic.

"In the construction of the railway station at Tsinan Fu consideration is to be given to the connection with the Hoang ho and the continuation of the railway on the one side to the southern boundary of the Province of Shantung in the direction of Kua-chou (Chinkiang), on the other side following the North Boundary of the same Province in the direction of Tientsin and Cheng-ting.

"The Company must obtain from the Imperial Government permission to carry out the railway line, in accordance herewith, in the territory of Kiau-chou, outside this territory the permission of the Imperial Minister in Peking is to be obtained.

"The lines may be built for single track; however sufficient land for the construction of a double track must be provided.

"The gauge shall measure 1.435 meter.

"II.—German material shall be used, as far as possible, in the construction of the railways.

"III.—The completion and opening of the main line from Tsin-tao to Tsinan Fu, and of the branch line to Poshan must follow within a period of 5 years, dating from the grant of the concession, and that of the railway section from Tsin-tao to Wei-hsien within a period of 3 years. Should the Company be prevented from the fulfilment of these obligations by force major, the fixed periods shall be respectively extended.

"§ 5. The following stipulations shall obtain for the operation of the railways:

"I.—The Governor of Kiau-chou is to be notified of the proposed opening of the railway on any one section at least three days in advance of the time set.

"II.—The railway is to be equipped in due time with rolling stock according to the requirements of traffic. The material used shall be, as far as possible, of German origin.

"The Company binds itself to permanently maintain the railways, buildings, workshops and rolling stock, including the telegraph plants, in good order and condition, in order that transportation may be made with security and according to the stipulations of the present contract. The company shall be held responsible therefor by the Imperial Government, but no stricter regulations shall be issued for railways outside of the Protectorate than those in force on the majority of the railways in China, built and operated under similar circumstances. The railway police regulations applicable within the Protectorate shall be in force along the line of railroad operation.

"III.—The number of trains to be despatched is left to the discretion of the company, but it must meet the necessities of traffic as far as possible. The establishment of a schedule and changes therein are subject to the approval of the Governor of Kiau-chou, with the understanding that no greater obligations shall be required of the company than in the case of the majority of other railways built and operated under similar circumstances in China.

"The time table is to be made public in due time.

"IV.—The fixing of the tariff for transporting passengers and freight on every railway section is left to the discretion of the company for the first ten years, beginning on January 1st following the opening of the railway, but the maximum rates for the transportation of coal, to be fixed by the Imperial Government after consultation with the company, may not be exceeded. Subsequent to this time, that is after the expiration of the ten years specified above, it is optional with the Imperial Government to fix the maximum rates for the various classes of passengers and goods every five years; within these limits the company shall be at liberty to fix the charges of transportation. All maximum rates to be fixed by the Imperial Government shall, however, not be lower than the maximum rates of the majority of railways built and operated under similar circumstances in China.

"Rates for transportation as well as changes therein must be made known to the Governor before adoption, and shall be published in due course. Increased rates, should they not be approved by the Governor, shall come into force three months after publication only.

"V.—Use of the railway is to be granted to everybody under similar conditions. Especially the rates fixed for transportation are to apply equally to all persons or goods of the same class. Facilities of transportation which under fulfillment of the same conditions do not benefit everybody are inadmissible. Exceptional tariffs require the approval of the Governor of Kiau-chou.

"Upon demand of the Imperial Government the Company is obliged to allow other contractors to connect with the railway by means of private connecting tracks or junction railways, upon refunding to the Company the expenses incurred thereby, should the Company itself not build connecting tracks or junction railways within a reasonable time. The Company is further obliged to undertake the operation of the private connecting tracks and furnish the necessary means of transportation, for which it is to receive suitable compensation, and further, for a likewise reasonable compensation, to allow the passage of the necessary transportation material of the junction railways.

"§ 6.—Should the Company culpably offend against one of the obligations imposed upon it by this document and not comply in due time with the injunction given by the Imperial Government to make good the offense, the Imperial Government may hold the company responsible for the losses accruing to the traffic through its fault, in an adequate sum of money.

"Whether there has been a culpable offense on the part of the company, and whether in consequence of such offense the order of the Imperial Government has not been properly complied with, and what amount shall be paid for accrued damages, shall be finally determined by a Court of Arbitration to be formed as provided for in Section 7.

"All moneys hereafter to be paid by the Company shall be paid into the Treasury of the Imperial Government of Kiau-chou.

"Should a culpable action of the Company relative to one of the imposed obligations contained in this document result in the railway section not being constructed or operated in due course, the Imperial Government is authorized to take over itself, or to cause to be taken over by a third party, the construction or extension of the railway and the organization or continuation of the traffic, all at the expense of the Company. The question as to whether such a culpable action on the part of the Company exists is also to be finally decided by the Court of Arbitration to be formed according to paragraph 7 of this document.

"§ 7.—The Court of Arbitration, provided for in Article 6, shall be formed in such manner that each party appoints two arbitrators and these shall elect an umpire. The Imperial Government will name its arbitrators to the Company and, at the same time, request the Company to appoint their arbitrators within four weeks, counting from the day of the handing in of the summons, and to name them to the Imperial Government. If the Company does not comply with this summons in due time, the Imperial Government will also elect the necessary arbitrators. The umpire is elected by a majority vote. In the case of a tie the umpire will be appointed by the President of the Hanseatic Upper District Court. The regulations of the Tenth Book of the Civil Process, unless otherwise stated in this document, shall hold good for the arbitration proceedings.

"§ 8.—During the life of the concession, conveyed in this document, the Imperial Government will not grant to any other contractor the right to construct a railway section, running parallel in the same direction with the concessionary lines to the same points, or touching at several of their principal places.

"§ 9.—The Imperial Government of Kiau-chou shall cede to the Company such land in the Protectorate necessary for the construction of the railway, provided it is property of the Government and, according to the declaration of the Governor, not indispensable for Government purposes, upon payment of the price prevailing in the locality, but which shall not exceed 125,000 marks. The Imperial Authorities will, as far as possible, assist the Company at their request to acquire more land if necessary, should it lie in the Protectorate or in the Province of Shantung.

"§ 10.—The Imperial Government will grant to the Company, upon their request, the concession for the construction and operation of the railways from Tsinan Fu to I-chou Fu and from Tsin-tao to I-chou Fu, under conditions corresponding to those contained in this document.

"As regards these railways, the company is free to await the end of the year 1908 before presenting this request. The concessions not solicited in due time can be otherwise granted by the Imperial Government.

"§ 11.—The Company shall pay a contribution from the yearly net profits of the railway to be applied to the expenditures of the Government for the harbor works in the Bay of Kiau-chou and also to the general running expenses of the Protectorate, which contribution is to be estimated as follows:

"If after the opening of the traffic of the railway from Tsin-tao to Tsinanfu, the

net earnings of the railway would permit the payment of a yearly dividend of more than 5 per cent of the paid up capital which is used in operating the railway, there shall be paid into the Government funds of Kiau-chou the twentieth part of any surplus over 5 to 7 per cent, the tenth part of any surplus over 7 to 8 per cent, the fifth part of any surplus over 8 to 10 per cent, the third part of any surplus over 10 to 12 per cent, and the half of any surplus over 12 per cent.

"§ 12.—The Imperial Government reserves the right to purchase the railways to be constructed by the Company in accordance with this concession, after the end of sixty years, calculated from the date of the grant of the concession. The Imperial Government further reserves the right to buy at the end of every five years, including a one year's previous notice, all establishments, rolling stock, appurtenances, inclusive of the reserve and renewal funds earned by the railway enterprise, upon payment of twenty-five times the amount of the average dividends paid during the last five years from its earnings, or, at least, however, the commercial value of the actual existing railway plants, workshops and rolling stock. In case there should be any doubt in ascertaining the value, a Court of Arbitration, formed according to Article 7, shall decide. Should no sum obtain the majority of the votes cast the one nearest the average of sums named by the individual arbitrators shall be accepted. The decision of the Court is final.

"§ 13.—The transfer, in whole or in part of the concession granted to the Company, according to this document, the rights and obligations appertaining to it in exercise of the same, under maintenance of its concessionary character, as well as any alteration in the contract, must, to become valid, have the approval of the Imperial Government.

"The transfer of the concession itself or parts thereof to another Company, not German or German-Chinese, is prohibited.

"§ 14.—The Imperial Government reserves the right of appointing a commissioner according to Article II of the second part of the German-Chinese Treaty of March 6, 1898.

"§ 15.—A copy of this concession document will be delivered to the Company as soon as the Company is regularly formed by the Syndicate.

"§ 16.—The charges for all expenses incurred in this document, especially the stamp duties, shall be borne by the Company.

"Baden-Baden June 1, 1899.

"(*Signed*) Imperial Chancellor."
"*Prince zu Hohenlohe-Schillingsfürst.*"

By a Decree of the German Imperial Chancellor, dated March 13, 1913, the scope of the railway enterprise was extended to include the exploitation of the mines of the Schantung Bergbau Gesellschaft (No. 1900/4, *post*); the increase of the share capital to 60,000,000 Marks was approved; and the adoption of the following Rules (dated February 12, 1913) was sanctioned:—

Rules of the Shantung Railway Company.

"I. General Stipulations.

"Par. 1.—By virtue of the preceding Concession of the 1st June, 1899, granted by the Imperial German Government an 'Actiengesellschaft' has been formed under the style of 'Schantung Eisenbahn Gesellschaft' which has its siege in Tsingtau; the Company shall be under the laws and jurisdiction of the Court of Tsingtau for all affairs except those between the Company and its shareholders and/or the Company and its executive bodies arising from their Company-relations. For such cases the Company shall be subject to the jurisdiction of the competent Courts in Berlin.

"The duration of the Company is not limited to a fixed time.

"Par. 2.—The object of the enterprise is the exploitation of the concession mentioned in Par. 1 by constructing and operating a railway from Tsingtau to Tsinanfu including a branch line from Changtien to Poshanhsien as well as the exploitation of the concession dated 1st June, 1899, for mining in the Chinese Province of Shantung granted to the Schantung Bergbau Gesellschaft and transferred to the Shantung Eisenbahn Gesellschaft.

"Par. 3.—With sanction of the Imperial German Government this Company shall be authorised:

1) to build equip and run other railways in China,
2) to undertake the running of other railways established in East Asia and to acquire such as property.
3) to intrust a third party with the running of its own railways,
4) to enter into agreements with the administrations of other connecting lines of railroads operating or in course of construction, about mutual utilization of their lines or to participate in any other way in other railway enterprises of East Asia.
5) to erect on its stations or in connection therewith the necessary warehouses for storage of goods and to issue warrants for the goods taken in charge as well as to provide for the forwarding of persons and of goods to and from the stations,
6) to produce and turn to profit also outside the district covered by the concession of

the Schantung Bergbau Gesellschaft, both within and without the Province of Shantung, products of the country and minerals, to establish and to acquire whatever plants may be necessary for this purpose and to operate these and other establishments which may promote the interests of the Company, or to participate therein, 7) to set up branch establishments.

" Par. 4.—The notices of the Company appear with legal validity by publishing them in the 'Deutscher Reichsanzeiger.'

" II. Original Capital, Shares, Debentures.

" Par. 5.—The original capital of the Company amounts to 60 million Marks divided into 60,000 bearer shares of a nominal value of M. 1000 each. [Note: (not in translated text) Amended to read: 70 million and 70,000, respectively, by resolution of 5th June, 1914.]

" Annexed to each of these shares are dividend-coupons covering ten years and renewal slips. The renewal slips empower a new issue of dividend-coupons for ten years and a new renewal slip to the same effect.

" Shares or interim certificates, if any, shall be executed by signatures, or facsimiles, of the Board of Directors and of the president of the Supervisory Committee or his substitute (vice-president). For the rest the forms of shares, interim certificates, dividend-coupons and renewal slips are to be decided on by the Supervisory Committee.

" The original subscribers who have floated the railway enterprise with a foundation capital of 54 millions of Marks have received a bonus share on each share subscribed by them, the privileges of these bonus shares are laid down in Par. 20, 26 & 30.

" The General Meeting may with the consent of the Imperial German Government resolve on an increase of the share capital and on issuing the new shares at an agio above their nominal value. New shares shall be issued to bearer provided not otherwise resolved. The nominal value of shares and the minimum value below which the issue of shares shall not take place are to be stipulated by the General Meeting.

" Par. 6.—In case shares, interim certificates, dividend-coupons and renewal slips have by damage or defacement become unsuitable for circulation but their essential content and distinctive marks are still recognisable with certainty, the entitled holder may demand of the Company to execute and deliver to him in exchange for the damaged or defaced document a new one. He has to pay in advance all expenses incurred thereby.

" In case shares, debentures, bonus shares or interim certificates are lost or have been destroyed they may be declared invalid by the legal proceeding of public notice. The costs of such proceedings as well as the cost of executing new documents and all expenses incurred thereby are not to be borne by the Company but by the concerned, who has to advance the costs.

" Dividend-coupons and renewal slips need not be declared invalid. Dividend-coupons belonging to shares or interim certificates declared invalid, and not yet due at the time of such declaration, are also invalid.

" Matured dividend-coupons become invalid in favor of the Company's accounts unless collected within 4 years, counted from the 31st December following the date on which they have become due.

" To anyone, however, who gives notice to the Board of Directors of the loss of coupons before expiry of said term, proving their former possession by production of the shares or interim certificates or otherwise in a reliable manner the amounts due on such coupons, given notice of and not yet presented up to the expiration of the said term, shall be paid against receipt.

" When the owner of a share or interim certificate, before issue of new coupons has taken place has filed a protest against their delivery to the owner of the renewal slip such coupons shall not be handed to the renewal slipholder but to the owner of the principal document on production of such document by him.

" Par. 7.—By subscription for or purchase of shares, bonus shares or interim certificates the shareholder subjects himself to the competent Courts of Berlin in respect of all controversies with the Company arising out of Company relations.

" Par. 8.—With the consent of the Imperial German Government the Company shall be authorised to issue debentures.

" III. Administration.

" a) Board of Directors.

" Par. 9.—The Board consists of two or more Directors appointed by the Supervisory Committee, this Committee is also authorised to appoint Acting-Directors (substitutes for the Directors). These appointments shall be recorded notarially or judicially and must be published. The Chairman of the Board must be approved by the Imperial German Government.

" The Board may appoint procurists only with the approval of the Supervisory Committee. The Supervisory Committee divides the business among the members of the Board, and

fixes their mutual relations as well as the rules for their consultations in common and their resolutions.

"Par. 10.—All documents and declarations of the Board are binding on the Company if they are signed with the written, stamped or printed name of the Company and countersigned by at least two members of the Board or by one member of the Board and one procurist with an addition showing that he signs as such.

"b) Supervisory Committee.

"Par. 11.—The Supervisory Committee consists of at least 12, at most 30 members to be elected by the General Meeting. At least 5 members shall reside in Berlin and including these at least three quarters of all the members at the time shall be German subjects, residing in the German Empire.

"The election holds good up to the end of that General Meeting which passes upon the Balance Sheet of the fourth business year after the election, not counting the business year during which the election takes place.

"At each ordinary General Meeting at least 5 and besides so many members of the Supervisory Committee shall retire as that the term of office for each individual member will be finished at latest by the end of the fifth ordinary Meeting after his election. The succession of resignations is decided by the seniority of the members and in case of doubt by lots.

"As long as the number of the members of the Supervisory Committee still remains 12 or more, a new election or by-election may be omitted.

"All declarations of the Supervisory Committee are legally executed if they are done under the style 'Der Aufsichtsrat der Schantung Eisenbahn Gesellschaft' with the signature of the president or his substitute (vice-president) and of a member of the Committee.

"Par. 12.—The members of the Committee draw no salaries but they receive reimbursement of the outlays arising out of the execution of their duties and a compensation according to Par. 26 of these rules. The distribution thereof shall follow the detailed regulations of a standing-order to be established by the Supervisory Committee.

"Par. 13.—The Supervisory Committee elects a president and a vice-president (substitute) immediately after each ordinary General Meeting in a session at which the members present meet without being specially called. The president shall be a German subject residing in Berlin.

"Par. 14.—The president or his substitute (vice-president) shall convene the Committee as often as business requires or when moved by at least three of its members or by the Board of Directors. In convening the meeting the agenda are as far as possible to be stated. Five members form a quorum. On matters not enumerated in the agenda the Committee can only give a valid decision if at least half of its members are present and none of them objects. In urgent cases valid resolutions may be passed by the medium of writing, telegraph or telephone.

"All members of the Supervisory Committee have equal votes. Resolutions shall be passed by majority of votes, votes being equal the president to have a casting vote.

"If at an election by the Supervisory Committee no majority of votes is obtained in the first ballot, a second ballot shall take place for those two persons who have received the highest number of votes. If each then obtains an even number of votes, lots will be drawn for decision.

"Par. 15.—The Supervisory Committee resolves its own standing orders regulating therein as well, whether and how votes have to be taken of Committee members residing outside Germany.

"Par. 16.—Beyond the powers given to the Supervisory Committee by law and elsewhere in these rules the Committee shall especially be authorised:

1) to engage and dismiss Directors,
2) to approve of the annual budget of salaries to be submitted by the Board of Directors and to confirm the selection of officials receiving annual salaries of M 10,000 and more or to be engaged for a longer term than three years, as well as to grant extraordinary remunerations, bonuses and pensions to the members of the Board of Directors and the Company's officials,
3) to determine the instructions for the management,
4) to appoint attorneys for a special business or for a class of business affairs (managers, &c.) as well as to appoint either members from their midst or third persons to substitute Directors,
5) to resolve on the acquisition and the sale of land properties destined for the Company's own business use,
6) to decide on the annual general condition of income and expenditure to be submitted by the Board of Directors and to fix the principles according to which the money of the Company is to be handled,
7) to approve contracts, if their object exceeds M 30,000 or if the Company is bound thereby for a longer term than three years,

8) to deliberate on matters provided for in Par. 2, sections 1—7, and to decide thereon in so far as an increase of original capital or the taking up of loans is not required,
9) to establish the Balance Sheet and the Profit and Loss Account for the purpose of being submitted to the General Meeting,
10) to submit to the General Meeting the financial statements in order to be discharged and to propose the amounts to go out of the profits to Special Reserve Fund as well as those for division of profits,
11) to resolve upon payments to be called for on shares,
12) to dispose of the Special Reserve Fund according to Par. 28,
13) to appoint one or more special committees from among the members of the Committee and to transfer special business affairs or classes of such to these special committees.

"The election of the Chief Technical Managers as well for the Railway as for the Mines requires the confirmation of the Imperial German Government.

"c) General Meeting.

"Par. 17.—Every shareholder may take part in the General Meetings. In order to be authorised to vote at these Meetings the shareholders must at least three days before the General Meeting and, should that day be a Sunday or a public holiday on the preceding working day, at the office of the Company's cashier or at such other places as may be indicated and advertised publicly:

a) hand in a list in duplicate, showing the numbers arithmetically arranged of the shares intended for participation.
b) deposit such shares or warrants therefor issued by the 'Reichsbank' or by the 'Bank des Berliner Kassenvereins' and leave them there up to the end of the General Meeting.

"The obligation b) can as well be complied with by a deposit with a German notary.

"Each share entitles to one vote. Saving legal representation, a proxy in writing is necessary and to be handed in to represent shareholders at a General Meeting. Partnerships, commandite companies and companies limited by shares, syndicates and companies limited by subscription as well as associations and juristic persons by public law may be represented by a member of their legal representative bodies or by an agent authorised to sign per procuration, even if otherwise for the binding of the represented body the joint action of several is required.

"Par. 18.—General Meetings shall be held in Berlin and be convened without prejudice to the regulations contained in Par. 254 of the Commercial Code by the Board of Directors or the Supervisory Committee through a notice given so that there are at least thirty days between the date of issue of the 'Reichsanzeiger' containing the publication and the date the meeting is to be convened, both dates not included.

"Within the first six months of every business year an ordinary General Meeting shall be held, an extraordinary Meeting is to be convened whenever there is a special cause therefor.

"The agenda to be before the Meeting shall be published at the time the notice appears convening the Meeting. The General Meeting may however pass valid resolutions if the motion thereto has been published at least one week before the end of the term set for the deposit of shares. Should however the resolution require a larger than a simple majority of votes, publication of such motion must have taken place at least two weeks before the expiration of the date set for deposit of shares.

"Par. 19.—Except in cases, in which the Company must liquidate by order of law, the liquidation or dissolution of the Company, furthermore the reorganisation of the Company by expansion or alteration of the object of its enterprise or its amalgamation with another 'Aktiengesellschaft' can only be decided on in an extraordinary General Meeting convened solely for the purpose of passing such resolutions.

"To make such resolutions legally valid, it is necessary that at least three quarters of the original share capital is represented in the Meeting. If this is not the case, another extraordinary General Meeting can be called for the same purpose within the next six weeks, in which the resolution can be passed with legal validity even if less than three quarters of original share capital are represented.

"In both cases it is further necessary for the validity of the resolution that such is passed by a majority of at least three quarters of the votes represented in the Meeting and that it is approved of by the Imperial German Government.

"Par. 20.—Alterations and additions to the rules, excepting the cases mentioned in Par. 19 and those cases in which a three quarters majority is prescribed by law can only be passed by a majority of at least two thirds of the votes represented in the voting and with the consent of the Imperial German Government.

"The redeeming of bonus shares (Par. 5) requires an alteration of the rules. All holders of bonus shares are subject to an agreement as to their redemption, if such agreement is approved by at least two thirds of the votes represented in the voting at a meeting of bonus-share-holders, to be convened by a notice (Par. 4) stating the business before the meeting.

In this meeting each bonus share shall entitle to one vote, the further proceedings at the meeting are to be decided on by the Supervisory Committee.

"Par. 21.—At the General Meeting the president of the Supervisory Committee or his substitute (vice-president) or in their absence a member of the Supervisory Committee appointed thereto by the Committee shall take the chair. In case of none of the Committee members being appointed the Chairman shall be elected by the General Meeting under the presidency of the shareholder having registered the largest number of shares. The Chairman conducts the discussion, fixes the succession of the items on the agenda as well as the modus of taking votes and appoints the scrutineers when necessary.

"The minutes of the General Meeting shall be written by a notary and shall be signed by the Chairman. A statement of the individual shareholders present in the meeting shall not be embodied into the text of the minutes, but a separate list, signed by the Chairman, giving names of shareholders present and/or represented shall be attached to the minutes, this list to be present for general inspection before the first voting of the Meeting takes place. Proxies handed in need not be attached to the minutes.

"Par. 22.—Resolutions of the General Meeting shall be passed, provided the law or these rules (Par. 19 & 20) do not compulsorily order otherwise, by simple majority of votes taken at the voting, in case of votes being even the resolution shall be considered lost.

"If at elections objection is raised against any other modus proposed, the voting has to be effected by handing in ballot-papers and by simple majority. Such majority not being attained at the first voting, a ballot limited to those who have received the two highest numbers of votes shall take place. When votes are even at the limited ballot, decision shall be by lot.

"Par. 23.—As a rule the General Meeting only votes on such proposals as are laid before it by the Board of Directors or by the Supervisory Committee.

"Motions brought forward by individual shareholders shall be dealt with according to the regulations fixed by law.

"IV. Balance Sheet, Ascertaining Profits.

"Reserve Fund.

"Par. 24.—The business year begins with the 1st of January and ends with the 31st December of every year.

"Par. 25.—The annual financial statement shall be drawn as for the 31st December in accordance with legal regulations and sound commercial principles, it shall be presented to the General Meeting within the first six months of the following year.

"Net profits shall be understood as profits in hand after deducting such amounts as the Supervisory Committee annually resolves on as contribution towards the Renovation Fund. This Fund is to bear mainly the costs incurred in renewing locomotives, tenders and rolling stock respectively single parts thereof as fireboxes, boilers, cylinders, boilertubes, springs, axles, wheels, steel tyres, brakes, watertanks, bodies of carriages and compartments as well as in renewing rails, sleepers, siding, crossings and small iron parts of the permanent way. On the other hand this Fund is to be credited, in addition to the annual contribution, with the proceeds of sale of the corresponding old material as well as the interest of the Fund itself.

"Par. 26.—Out of the net profit thus resulting is:

1) 5% to be transferred to the Reserve Fund (Par. 27) required by law, so long as this Fund does not exceed the tenth part of the original capital,
2) an amount not exceeding 5% according to the proposal of the Supervisory Committee to be transferred to the Special Reserve Fund to be formed,
3) a dividend up to 5% on the share capital paid up to be granted.

Of the balance remaining:

33⅓% shall go to bonus-share-holders,

66⅔% shall go as superdividend on the share capital paid up, after however having first deducted:

5% for the Supervisory Committee and
the contribution to the Government as provided for in Par. 11 of the instrument of concession, dated 1st June, 1899.

"The compensation due to the Supervisory Committee is guaranteed at M 2000 annually for each member and with any possible deficit shall be reckoned in the costs of administration.

"All dividends as well as the contribution to the Government are to be paid at latest in the course of July of the year following the business year accounted for.

"Par. 27.—Agio profits, i. e. what shareholders in case of increase of share capital will have to pay for shares above the nominal value of such new shares, after having deducted thereof all costs of issue shall be placed to the Reserve Fund. (Cf. Par. 26, section 1). This Reserve Fund is solely intended for the purpose of covering a saldo of loss shown by the balance sheet.

"Par. 28.—From the Special Reserve Fund formed according to Par. 26, section 2,

extraordinary losses and expenses, especially for renovations may be met by resolution of the Supervisory Committee.

"V. Nomination of Chancellor's Commissioners.

"Par. 29.—The Imperial Chancellor may nominate one or more Commissioners entitled to take part in the meetings of the Supervisory Committee and in the General Meetings and to demand at any time a report from the Supervisory Committee on the affairs of the Company also to inspect the books and documents of the Company.

"VI. Liquidation.

"Par. 30.—The regulations provided by law in case of liquidation shall only apply in so far as the General Meeting deciding on the liquidation does not resolve otherwise. This Meeting shall particularly be authorised to alter for the time of liquidation the powers of the Supervisory Committee, to resolve that during liquidation no regular retiring of members of the Committee shall take place and to stipulate the bonus to be paid to the Supervisory Committee as well as the authority to be given to the liquidators. The holders of bonus shares shall be entitled to 33⅓% of the surplus remaining after paying off all liabilities including the original capital."

NUMBER 1900/4.

GERMANY (Schantung Bergbau Gesellschaft) AND CHINA.

Regulations for Mining in Shantung.—March 21, 1900.*

His Excellency the Governor of the Province of Shantung Yuan Shih-kai and His Excellency the Lieutenant General Yin Chang, upon petition of the Governor of Shantung especially delegated by Imperial decree to these negotiations, on the one side, and the managing Board of the Shantung Mining Company at Tsingtau, represented by Messrs. H. Michaelis and K. Schmidt, on the other side, have, in order to prevent excitements and disturbances of any kind, which may arise through the commencement of mining operations by the Schantung Bergbau Gesellschaft in the Province of Shantung and in order to maintain friendly relations between its population and the Company, agreed upon the following Mining Regulations with regard to the mining concession reserved and granted to German subjects by the Imperial Chinese Government within a zone of 30 *li* on both sides of the railway lines to be built in conformity with Article 4 of the Kiauchow Convention, subject to the approval of the Supervisory

* Translation from German text.

A Japanese version of the Regulations is printed in *Shina Kankei Tokushu Joyaku Isan*, p. 423.

In connection with these Regulations, see the Convention for the Lease of Kiaochow, March 6th, 1898 (No. 1898/4, *ante*), particularly Section II, Art. IV; also Regulations for the Kiaochow-Tsinan Railway, March 21st, 1900 (No. 1900/3, *ante*), and particularly the Rules of February 12th, 1913, annexed thereto at p. 243.

Another translation of this agreement is printed (at p. 37) in the *Claim of China for direct Restitution to herself of the Leased Territory of Kiaochow, the Tsingtao-Chinan Railway and other German Rights in respect of Shantung Province*, as presented by the Chinese Delegation to the Preliminary Peace Conference at Paris in February, 1919.

See Note to this document, *post*, p. 252.

Committeee of the Schantung Bergbau Gesellschaft, and reduced to writing in Chinese and German texts of like tenour.

Art. 1.—By virtue of Article 4, section 2, of the aforesaid Kiauchow Convention a German-Chinese Company shall be formed, according to the rules of this Company shares shall be issued which may be purchased by German as well as by Chinese subjects. This Company shall for the present be exclusively under German management, it shall half-yearly notify the Chiao Se Chue at Tsinanfu how many shares have been purchased by Chinese. As soon as the amount of such shares has reached Taels 100,000 the Governor of the Province of Shantung shall to look after the interest of the Chinese shareholders, appoint a Chinese official to co-operate at the Company's siege.

Art. 2.—Should in future branches of the Administration of the Company be established in Shantung one Chinese official shall be delegated to each of them.

Art. 3.—Land used for preliminary examinations with regard to the mining enterprises, for boreholes and prospecting shafts, etc., shall be rented by the Company at an adequate compensation provided the Company should not prefer to buy such land. Spoiled crops or other damages shall be fully paid for according to local market prices. The beginning of such operations has to be notified to the local authorities fifteen days in advance in order to enable them to issue instructions to the population.

Art. 4.—Officials or respectable citizens shall be consulted upon the lots of lands to be selected for digging shafts, or erecting workshops, depots, houses for workmen, etc., in order to prevent, as far as possible, injury being done to the interest of the people. To avoid difficulties in negotiations, these shall be conducted on the Chinese side by Chinese officials, delegated by the Governor of Shantung.

The technical determination and selection of the mining fields and of the surface plots needed to erect the buildings of the mining establishments shall be left to the engineers of the Mining Company.

A ground-plan of these establishments done on a scale of 1:25,000 has to be submitted to the Governor of Shantung for information and only thereafter land may be purchased. The construction itself shall not begin before the title deed to such land is duly made out.

Landowners shall not be permitted to protest against subterranean mining works necessary for production of coal or other minerals except at places mentioned in Art. 7.

The purchase of land has to be proceeded with peacefully and quickly, there shall be no detention of mining work through land purchase or through difficulties raised by individual owners. In order to prevent all such difficulties the abovementioned Chinese official shall act as mediator when land is to be purchased and he shall settle all disputes arising. The land shall be purchased in an honest way according to the locally customary ruling price. The Company shall not be allowed to buy more land than necessary for erection of the surface plants including depots, railroads and roads leading to the mines and possible future extensions.

The surface land above subterranean works need not be purchased by the Company.

No compensation shall be paid to the landowner for coal and other minerals raised by the Mining Company.

Art. 5.—Houses, farmsteads and villages, temples, graves and above all high class graveyards belonging to the gentry, which are fenced in and planted with trees shall as far as possible not be used for the erection of buildings on the surface for mining purposes.

If it should be impossible to prevent the above-mentioned properties from being used the local official shall two months in advance notify the owners and settle with them a compensation of an amount enabling owners to erect graveyards, etc., of the same condition at another place without sustaining any loss of money.

Art. 6.—Houses, sheds, shafthouses and depots belonging to the mines shall be so placed as not to disturb city walls, fortifications, public edifices and important inhabited places on the surface.

Art. 7.—The Company is not permitted to mine underneath graveyards, temples, parks and palaces belonging to the Imperial Family.

Art. 8.—In surveying the land to be purchased the "*kung*" shall be used as unit. 1 *kung* is equal to 5 official feet, 1 foot is equal to 0.338 m. 1 *Mu* is counted to be 360 *kung* or equal to 9,000 square feet. As to the land tax to be paid by the Mining Company the same regulations shall be applied as in force for the most-favoured Mining Company in any other place of China.

Art. 9.—The salaries of the assistants placed by the local authorities at the disposition of the Mining Company at its wish shall be paid by the latter. They shall not be included in the price of land purchased. The money for the land is to be paid into the hands of the District Magistrate, who is responsible for the proper payment to the different owners entitled to receive the money. The District Magistrate also has to hand over the title deeds to the Mining Administration.

Art. 10.—Should the Mining Administration apply for soldiers to protect the preparatory works and the property of the Company when the mines are in operation, the Governor of the Province of Shantung shall at once and effectually comply with such application. Therefore no foreign troops shall be employed for the protection of mines outside the 100-*li* zone. The amount to be contributed by the Mining Company for troops dispatched for the protection of its property shall be the subject of a further understanding.

Art. 11.—The purchase of material necessary for mining purposes shall be transacted in a fair manner and the usual market price shall be paid for same. If necessary the assistance of the District Magistrate shall be applied for.

Art. 12.—The Mining Administration intending to rent houses for offices and residences near the workplaces, shall apply to the District Magistrate who will make the necessary arrangements with the owners and will on its behalf conclude the contracts.

Art. 13.—The natives of districts where mines are established shall as far

as possible be engaged as workmen and as contractors for the supply of materials, they shall be paid as customary in these districts.

If fights should occur between miners and natives the local official will have the right to arrest and punish the guilty. Miners are absolutely forbidden unwarrantably to enter the houses of natives. In case of contravention they will be severely punished.

Art. 14.—The Mining Company assumes the responsibility for any loss of life or goods caused by accidents in the mines and has to pay compensation to wounded or killed persons according to the local custom and to cover any loss of goods according to detailed regulations to be made and published by the Company.

Likewise the Company, when prospecting, will be held responsible for all damages done by neglect of the Company to persons and property.

Art. 15.—The Mining Company assumes the full responsibility for damage done to wells, fields, houses and other buildings by operating mines. It has to pay for such damages, if caused by the Company's neglect compensation according to local prices.

Draining off water pumped out from mines is to be done under such precautions, that neighbours and their fields will not suffer any loss. Any such loss has to be made good by the Company.

Art. 16.—Foreigners who wish to travel in the interior of the Province of Shantung, in order to enjoy better protection must be provided with passports duly sealed by the proper Chinese and German Authorities. The Chinese local authorities cannot assume any responsibility if such a passport is not produced.

German and Chinese employees of the Mining Company are to be provided with certificates attested by the seals of the Mining Administration and of the Local Authorities, in order, when necessary to prove their official capacity.

When prospecting the engineers shall be accompanied by an official delegated by the District Magistrate. This official shall, if necessary by police-forces, render assistance in protecting the progress of the work. His salary is to be paid by the Mining Company.

Persons fraudulently pretending to be employees of the Mining Company shall be arrested and punished by the Local Authorities.

Art. 17.—Outside of the 30-*li* zone mines cannot be operated without special permission of the Governor of Shantung. Inside of the 30-*li* zone, excepting the existing Chinese mines, the Shantung Mining Company has the right to work mines and raise coal and other minerals. The Chinese mines now in operation are entitled to continue work under the hitherto existing conditions, but they must so proceed that the works of the Shantung Mining Company are not injured thereby.

In order to prevent the mines of the Shantung Mining Company lying below these Chinese mines from being kept in constant danger, the Company shall be at liberty to conclude an agreement for the purchase of these mines with the owners. If necessary the Company shall appeal to the District Magistrate for intervention.

Regarding the purchase of larger Chinese mines already existing within

the 30-*li* zone, their owners, instead of receiving payment in cash, shall be at liberty to ask for shares of the Shantung Mining Company amounting to the sum agreed upon as price of the mine sold. Should owners of such mines be unwilling to sell them, the working of such mines is not to be interfered with.

Art. 18.—Inhabitants of places near the mines shall get coal to be used for their households at reduced prices as soon as the working of the mines is established favorably and successfully.

Art. 19.—In the Province of Shantung outside the leased territory of Kiauchow the Governor in Tsinanfu safeguards all the rights of sovereignty. Therefore Chinese officials and workmen employed by the Shantung Mining Company within this province shall in case of contravention of Chinese law be under the jurisdiction of the competent Chinese Local Authorities.

In case of complaints against foreigners employed by the Company proceedings shall be taken according to the proper laws.

Art 20.—It shall be the subject of further agreements, when and under what conditions the Chinese Government may in future take over the mines.

The foregoing regulations, after being approved, shall be notified to the Authorities of the Province of Shantung and to the officials of the mines. Thereupon they shall be duly observed.

Should it be necessary in future to have alterations made of some of the above regulations or to have drawn up supplementary rules, this can only be done by mutual agreement between the Governor of the Province of Shantung and the Shantung Mining Company.

Tsinanfu, 21st March 1900.

The Governor of the Province of Shantung:

[*signed and sealed*]

H. M's. Delegate:

[*sig.*] YIN CHANG, *Lieut.-General.*

Die Direction der Schantung Bergbau Gesellschaft.

Note.

The Schantung Bergbau Gesellschaft was a joint German and Chinese enterprise operating under a German charter or "concession" dated June 1, 1899, of which the following is a translation from the German text:—

Charter of Schantung Bergbau Gesellschaft.—June 1, 1899.

"The Deutsch-Asiatische Bank—representing the Syndicate formed for the establishment of 'German Chinese-Mining Companies'—having applied for a mining concession within the Chinese Province of Shantung in favour of said Syndicate, the Imperial Government is ready to grant same in accordance with the agreement contained in the German-Chinese Treaty of 6 March 1898 under conditions as follows:

"Par. 1.—Beginning with the day of granting the concession the concessionary shall for a period of five years have the exclusive right to prospect for coal and other minerals as well as Petroleum and to claim mining fields by reason of finds made within an area extending 30 *li* to either side of the railway lines to be constructed

a) from Tsingtau via Weihsien to Tsinanfu including a branch to Poshan.

b) from Tsinanfu through the Province of Shantung as a part line of projected railway from Tientsin to Kuachou (Chingkiang).

c) from Tsingtau via Ichoufu towards the railway mentioned under b.

"The concessionary is to hand over to the Imperial Government as soon as possible a trace of the probable line of Railways to be built.

"Par. 2.—For every find which is made within the districts covered by Par. 1 and which must be proved in its natural deposit, the concessionary shall be granted a field limited by perpendicular planes the demarcations for which are to be indicated on the one hand by the railway-line and a line parallel to it at a distance of 30 *li* and on the other hand by two lines six kilometers apart from each other running rectangularly to the railway line.

"After expiration of the time provided for by Par. 1 the monopoly of the concessionary to prospect and locate shall cease and the Imperial Government may grant such rights to other persons or corporations as well.

"Par. 3.—Within ten years after expiration of the time provided for in Par. 1 methodical working of mines must have been started and shall thenceforth be continued by the concessionary his successors or assigns upon the field granted to them or if three or more fields should have been granted at least upon one field in every three.

"Should they fail to comply with this obligation and should the omission of or interruption to such work be contrary to prevailing reasons of public interest the Imperial Government may withdraw the grant of mining rights for such fields. No claim for compensation of any kind shall be admitted in such case.

"The grant of mining rights can however not be withdrawn on account of not having maintained proper operating of mines unless notice to maintain such operating has been ineffectively given twice whereof the second notice cannot be handed in before at least half a year has elapsed after the first notice having been given.

"Should the concessionary his successors or assigns with reference to a mining field show special cause which made it impossible to begin the proper operating of mines within the stipulated time then the limit of time may be extended once for a reasonable period. If the concessionary his successors or assigns prove to the satisfaction of the Imperial Government that the observance of this limit of time or the continuation of proper operating of the mines has been rendered impossible by *force majeure* then in the first case the limit of time shall be extended for a reasonable period and in the second case the grant of mining rights shall not be withdrawn provided the concessionary his successors or assigns resume, after removal of the hindrance caused by *force majeure*, the proper operating of mines within such reasonable time as may be fixed by the Imperial Government.

"Par. 4.—If at the expiration of twenty years counted from the day of granting the concession the extent of the mining fields granted to the concessionary should prove to exceed half of the total area of the 'Thirty-*li* Zone' the Imperial Government is entitled to revoke the mining rights in as much as they are granted in excess of the area mentioned. No claim for compensation of any kind shall be admitted based on such revocation. It is however left to the concessionary to point out the fields for which his mining rights or the mining rights of the Companies (Par. 5) formed by him shall cease. If the concessionary does not comply with the request transmitted to him by the Imperial Government to point out such fields, within six months after the day the request has been delivered to him, the Imperial Government shall decide upon such fields.

"Par. 5.—The concessionary shall form one or more German-Chinese Companies (one at least within three months after the earliest date law will permit) having the status of a 'Colonial Company' (Kolonial Gesellschaft) in the meaning of the law with reference to the legal affairs of Protectorates dated 15 March 1888 and he shall transfer to such Companies the rights and obligations granted to him by the concession. The rules of these Companies shall be submitted to the Imperial Government for approval.

"Every Company formed in accordance herewith shall establish its siege in Tsingtau within six months after the resolution of the Federal Council concerning the juristic quality to be granted thereto. In case the dates set as above are not adhered to, the Imperial Government may if unwilling to extend the terms declare that the rights and obligations granted to the concessionary or to the Company by virtue of the concession shall be null and void, and no claim for compensation based on such an action shall be admitted.

"Par. 6.—Proper steps have to be taken that both Germans and Chinese may be able to participate in the public subscription of shares for each of the Companies formed. Especially for this purpose subscription of shares shall also be opened at suitable trading places of Eastern Asia and the amount subscribed there shall receive adequate consideration.

"Par. 7.—The concessionary his successors or assigns are bound when called upon by the Imperial Government, to satisfy out of the coal produced by them in the first instance the requirements of the Imperial Navy and to allow for all coal thus purchased a preference price being 5% below market price ruling at Tsingtau for coals of same quality.

"Par. 8.—As a contribution to the expenses of the Imperial Government for harbour works in Kiauchou Bay and to the General Administration of the Protectorate the concessionary his successors or assigns shall pay a tax on the annual net income of the mining enterprises to be calculated as follows:

"If the net income available for distribution resulting out of the proceeds of a mining

enterprise would allow for a yearly dividend of more than 5% figured on the share capital paid up and expended for such enterprise the tax to be paid for that year to the treasury of the Government of Kiauchou shall be:

from the amount exceeding 5% up to 7% the twentieth part
from the amount exceeding 7% up to 8% the tenth part
from the amount exceeding 8% up to 10% the fifth part
from the amount exceeding 10% up to 12% the third part and
from the amount exceeding 12% one half.

"Par. 9.—The total or partial transfer of the concession to be granted by this instrument, and also every alteration of the Rules of Companies established in accordance with Par. 5 require the approval of the Imperial Government to be valid. A transfer of the concession itself or any part of it to a Company other than a German or German-Chinese shall not be allowed.

"Par. 10.—One copy of this instrument of concession will be handed to the concessionary as soon as the Shantung Railway Company has been properly formed.

"Par. 11.—All costs of this instrument if any, especially any stamp duty, shall be borne by the concessionary.

"Baden-Baden, 1st June 1899.

"*The Imperial Chancellor,*
"[*sig.*] Fürst zu Hohenlohe-Schillingsfürst."

The following is a translation (from the German text) of the Rules, dated October 10th, 1899, applicable to the Company:—

Rules of Schantung Bergbau Gesellschaft.—October 10, 1899.

"I.—General Stipulations.

"Art. 1.—Under the style of Schantung Bergbau Gesellschaft a Kolonial Gesellschaft (Colonial Company), having established its siege in Tsingtau, has been formed by virtue of the law of the German Empire, dated 15th March 1888 and 2nd July 1899. This Company, though working under the laws and under the jurisdiction of its siege shall be subject to the jurisdiction of Courts competent for such matters in Berlin for all actions between the Company and its individual members and/or the Company and its executive bodies arising from their company relations.

"Art. 2.—The object of the enterprise is the acquisition and the exploitation of the concession of 1st June 1899, preceding these rules, and in pursuance thereof the establishment of mining enterprises of every kind in the assigned area of the Province of Shantung particularly:

1) the prospecting for Coal and other Minerals, also for Petroleum,
2) the acquisition of mine properties by reason of the finds made,
3) the establishment and the operation of mines, foundries and smelting works, dressing works and all installations appurtenant thereto, also the purchase of raw material for the business within and without the area of concession,
4) the purchase and rent as well as sale and lease of rights to prospect and to locate as well as of mines and of metal works,
5) the acquisition and rent of land, rights to land and to water, as well as sale and lease of the above things and rights,
6) the building of branch railway lines for the purpose of forwarding the products of mines and metal works,
7) the sale of the products gained from the mines and metal works and also of other products of the country, also the establishment of sales offices within or without the Province of Shantung, for the purpose of such sale,
8) the participation in mines and metal works existing or to be established in the area of concession,
9) the establishment of other mining companies, to which part of the privileges granted by the concession of 1st June 1899 are to be transferred in accordance with Par. 5 of the conditions of the concession.

With the approval of the Imperial German Government the Company is entitled:

1) to extend its mining enterprises and operations connected therewith or its participation in such enterprises and works outside the area of concession in the Province of Shantung or outside of this Province,
2) to found branch establishments.

"Art. 3.—The duration of the Company is not limited to a fixed time.

"Art. 4.—The executive bodies of the Company are:

The Board of Directors (Direction)
The Supervisory Committee (Verwaltungsrat)
The General Meeting (Generalversammlung).

"Art. 5.—The notices of the Company appear with legal validity by publishing them once in the 'Deutscher Reichs-Anzeiger,' unless other forms or more frequent publication are stipulated by these rules. The Company, however, reserves to itself the right to publish them in addition in other papers at the decision of the Supervisory Committee, the validity however of the notices not being dependent on this publication. When time limits are published the day of the issue of the paper is not included.

"II.—Capital.

"Art. 6.—The capital of the Company amounts to Marks 12,000,000.—equal to Francs 15,000,000.—equal to Pounds Sterling 600,000.—divided into 60,000 shares of the value of Marks 200. each—equal to Francs 250.—equal to Pounds Sterling 10. On each share 25% are paid up in Marks.

"Further payments or full payment of the shares in Marks shall, with approval of the Supervisory Committee, be called in by the Board of Directors giving four weeks notice of such calls. The Supervisory Committee is authorised to lay down the conditions, under which the full payment of shares before due date will be allowed.

"An increase of the capital can only be decided upon by a General Meeting. The resolution shall also contain the conditions, under which the new shares will be issued.

"Art. 7.—The original subscribers of the shares to be issued and thereafter their successors or assigns form the Company. The shares are indivisible; they possess the quality of movable property. Individual members may not sue for divisions of property.

"Art. 8.—For the obligations of the Company, the Company's assets will only be liable to the creditors.

"Art. 9.—The original subscriber of a share is responsible for the payment of the full face value thereof.

"Beyond the full payment no further responsibility rests on the members of the Company.

"Art. 10.—The share certificates are made out to bearer; they will be issued in denominations of one, five or ten shares, according to the decision of the Supervisory Committee.

"The share certificates will be issued only after payment of the full face value. For the instalment-payments receipts will be given on an interim certificate bearing the name of the holder.

"The interim certificates are transferable by endorsement, without prejudice to the responsibility laid on the subscriber of the share by virtue of Art. 9; by a resolution of the Supervisory Committee however interim certificates for the first instalment of 25% may be transfered in such a way that the new owners take the place of the original subscribers. Wherever in these rules shares of the Company are mentioned, interim certificates take their place until the share certificates have been issued.

"Art. 11.—Dividend coupons for ten years with renewal slips shall be attached to the shares.

"At the end of the last year new dividend coupons for ten years will be issued against delivery of the renewal slips. If a profit is divided before issue of the shares, the interim certificates will be stamped accordingly upon payment of such dividends.

"Art. 12.—Those liable, but failing to render part payments due, shall be requested by the Board of Directors by notice stating the numbers of the shares on which payment is overdue, to pay same together with interest at 5% within a time to be fixed at not less than four weeks.

"Whoever allows this time to elapse without making payment as aforesaid, forfeits a fine of 10% of the amount due besides the interest, and the Board of Directors may force him by legal proceedings to pay the instalment due together with interest, fine and costs.

"Instead of this procedure the Board of Directors, after having given once more a notice to the defaulting subscribers to complete the overdue payments within a further delay of four weeks and after having warned them at the same time that they will be excluded, if they do not comply with the request, may pass, after this period has ineffectually elapsed, a resolution that the subscribers shall lose in favour of the Company the privileges arising from the subscription as well as all payments made. Such declaration shall be advertised publicly, and new scripts will be issued in place of that which is declared to be cancelled, such scripts to include the part payments made already and the instalment last asked for. The defaulter shall remain responsible for any loss suffered by the Company in the sale of such shares.

"Art. 13.—The original subscribers of the share capital described in Art. 6, Section 1, who have floated the enterprise, shall receive one bonus share on every one share subscribed, i. e., 60,000 bonus shares in all. They shall be issued in the name of the owner in denominations of one, five or ten bonus shares. The privileges of the bonus shares are laid down in Art. 18, Art. 39 and Art. 40.

"At the formation of other mining companies in accordance with Par. 5 of the Concession dated 1st June 1899 and Article 2, ad. 9 of these Rules, the aforesaid original sub-

scribers are entitled to participate, proportionately to their share of capital in the Schantung Bergbau Gesellschaft, as original subscribers in raising of the share capital of each of those companies up to one half, by taking over the shares at par, plus the proportionate foundation costs. The original subscribers of the share capital of those companies shall receive one bonus share on every one share subscribed. On these bonus shares a share of the profits shall be distributed in the same ratio in which the proprietors of the bonus shares of the Schantung Bergbau Gesellschaft participate according to Art. 18.

"Art. 14.—By resolution of the General Meeting and with approval of the controlling authorities, the Company is authorised to issue debentures payable to bearer.

"The nominal value of the debentures, the rate of interest, the conditions of recall and repayment shall be fixed and made public in every instance by the Supervisory Committee with approval of the controlling authorities. The recall of the debenture requires the approval of the Supervisory Committee.

"Art. 15.—When shares or other documents issued in accordance with the regulations of Art. 10, 11, 13 and 14 have become damaged or otherwise unserviceable, but preserved in their essential parts to such an extent as to admit no doubts as to their genuineness, then the Board of Directors is authorised to draw up and hand out new equivalent documents in exchange for the damaged documents, costs to be borne by the owner.

"Excepting this contingency, new documents may be prepared and delivered in place of those damaged or lost only after judicial invalidation of the latter.

"Dividend coupons are not cancelled judicially: they become invalid, unless collected within four years, counted from the 31st March of that year in which they have become due, the respective dividends revert to the Company. To such one, however, who gives notice to the Board of Directors of the loss of dividend coupons before expiry of the said term of four years, and who proves their former possession by production of the share certificates or otherwise in a reliable way, the amount due on such coupons (given notice of and not yet presented) shall be paid against receipt after lapse of the said term.

"No judicial declaration of invalidity shall take place as well for damaged or lost renewal slips.

"When the owner of a share before the issue of new dividend coupons protests against the delivery thereof to the presenter of the renewal slips and this presenter however insists upon delivery the dispute shall be carried to Court for a decision, the new series of dividend coupons shall be withheld until the case has been decided.

"When a renewal slip has been lost, the dividend coupons shall be delivered against receipt to the owner of the respective share after expiry of the date set for payment of the third of those dividend coupons which should have been received against delivery of the renewal slip. The possession of the respective renewal slip does in this case not entitle to the receipt of the dividend coupons.

"Art. 16.—By subscription or purchase of shares, interim certificates and bonus shares, the members submit to the jurisdiction of the competent lower Court for commercial matters in Berlin for all disputes arising between the Company and themselves in consequence of their business relation. (Par. 1).

"III.—Financial Statement, Ascertaining and Disposal of the Proceeds, Reserve Fund.

"Art. 17.—The business year begins on 1st April and ends on 31st March of the following year. The first business year in accordance with these rules ends on 31st March 1900.

"The financial statement shall be drawn up by the Board of Directors as for 31st March for the business year last passed. It shall be presented to the General Meeting annually not later than 30th September together with the Profit and Loss Account and with a report of the Board of Directors showing the property and the situation of the Company, and also with the audit to be brought in by the Supervisory Committee.

"It is understood that net profits mean, profits in hand after the writing off on the property has taken place to such an extent as the case may require.

"Five per centum per annum interest may be debited to Development Account during the development period, but not beyond the business year 1903/4; possible working profits during the development period shall however in this case be credited to Development Account. The Development Account shall also be debited by the remuneration due to the Supervisory Committee in accordance with the conditions of Art. 46.

"The approval of the financial statement is reserved to the General Meeting. By giving the approval, the executive bodies of the Company are discharged regarding their management during the respective year.

"Art. 18.—On proposal of the Supervisory Committee the General Meeting decides on the amount of net profit resulting from the financial statement.

"Of the sum to be calculcated on not less than 5% and no more than 15% have to go to the Reserve Fund.

"Of the remaining sum a dividend of 5% on the paid-up share capital shall be allowed to the members of the Company.

"The balance shall be distributed as follows:
33⅓ per centum to the bonus shares
66⅔ per centum on the paid-up share capital as super-dividend,
after having deducted as well 10% for the Supervisory Committee and the contribution to the Government provided for in Par. 8 of the instrument of Concession of 1st June 1899.

"The General Meeting may not pass a higher amount as net profit to the members of the Company nor a lower contribution to the Reserve Fund than proposed by the Supervisory Committee. Within four weeks after the resolution of the General Meeting the members of the Company will receive the dividend due to them, and the owners of the bonus shares their share of profit, and also the contribution to the Government provided for in Par. 8 of the instrument of Concession of 1st June 1899 has to be paid.

"In the event of the dividend to the members and the share of profit to the owners of the bonus shares being paid in Francs or Pounds Sterling, the amount of the dividend or of the share of profit due in Marks shall be calculated at the rate of 81.— Marks = 100 Francs and 20.40 Marks = 1 Pound Sterling.

"Art. 19.—The Reserve Fund serves to cover extraordinary expenses or losses. Its disposition is decided on by the Supervisory Committee.

"After the Reserve Fund will have reached 15% of the share capital, further contributions thereto shall cease. Upon proposal of the Supervisory Committee, however, the General Meeting may resolve a further increase of the Reserve Fund, if extraordinary circumstances occur. In the event of payments out of the Reserve Fund, further contributions have to be made thereto until it reaches again the amount fixed.

"IV.—Administration.

"*a) Board of Directors.*

"Art. 20.—The Board represents the Company and acts on its behalf in all legal and other affairs including those requiring a special power of attorney by law. The Board is independent in question of administration, save in those for which by these rules cooperation of the General Meeting or Supervisory Committee is required. In transacting affairs the Board is bound to follow the instruction given by the Supervisory Committee or such of its members as have been delegated by it. This restriction, however, has no legal effect toward third parties.

"Art. 21.—The Board of Directors consists of two or more Directors, appointed upon conditions settled by the Supervisory Committee.

"The Supervisory Committee regulates the distribution of business amongst the Directors, their relations to each other, as well as the rules for their joint deliberations and resolutions. It nominates substitutes if required and may appoint from its midst a member as substitute. Such substitute shall not act on the Supervisory Committee while cooperating with the Board of Directors.

"Art. 22.—By resolution of the Supervisory Committee Directors may temporarily be ordered to China for inspection of the administration there and other purposes.

"Art. 23.—Documents and declarations of the Board are binding on the Company, if they are signed under the name of 'Schantung Bergbau Gesellschaft' by two Directors or by one Director and one Acting Director (substitute) or by two Acting Directors (substitutes) or by one Director or Acting Director (substitute) and by one officer of the Company authorised by the Supervisory Committee to sign conjointly.

"Art. 24.—The nomination of Directors, of their substitutes (Acting Directors) and the officers of the Company authorised to sign documents conjointly, shall be recorded notarially and made public. The record serves as legitimation.

"*b) Supervisory Committee.*

"Art. 25.—The Supervisory Committee consists of not less than 12 but not more than 25 members to be elected by the General Meeting from the number of the shareholders. At least five members of this Committee shall reside in Berlin and including those at least three quarters of all members at the time shall be German subjects residing in the German Empire.

"As a rule the election shall take place at the ordinary General Meeting for a term up to the fourth ordinary meeting following.

"Every year at least three members resign in as regular succession as possible and are replaced by new elections. Until a rotation has been formed for the resignations, they shall be decided by lots. The resigning members are re-eligible. If a member retires in the meantime, the remaining members are authorised to elect a substitute with validity till the next ordinary General Meeting. The final election of a substitute will be done by the General Meeting holding good for the unexpired term of the resigning members.

"If an election of members to the Committee should have taken place in an extraordinary General Meeting, the time from the date of the latter to the next ordinary General Meeting shall count as a full year, as far as the term of office of those elected is concerned.

"As long as the number of the members of the Supervisory Committee remains twelve or more both a new election and a replacement may be dispensed with.

"The elections for the Supervisory Committee shall be recorded before a notary.

"Art. 26.—The Supervisory Committee elects a president and a vice-president immediately after every General Meeting in a session, at which the members present meet without being specially called. The president shall be a German subject residing in Berlin.

"The president shall convene the Committee as often as business requires, stating at the same time the agenda for the meeting. A meeting has to be called in within a fortnight if applied for in writing by at least three members of the Committee or by the Board of Directors.

"The Supervisory Committee forms a quorum when not less than half of its members are present. All its members have equal votes. Resolutions are passed by a majority of votes. Votes being equal the president shall have a casting vote.

"The Committee may give a valid decision on a matter not enumerated in the agenda, if the decision is approved by every member present. At the request of the president the Supervisory Committee may pass resolutions by written voting without a meeting being called; such resolutions only to be valid however if passed unanimously by all its members.

"In this case the taking of the votes of single members may be omitted, when and as long as they are living outside the German Empire.

"If at an election by the Supervisory Committee, no absolute majority of votes is obtained for one of the candidates in the first ballot, then a second ballot shall take place among those two persons, who have received the highest number of votes. If each then obtains an even number of votes, lots will be drawn for a decision.

"Art. 27.—The Supervisory Committee decides on its order of business.

"Art. 28.—The members of the Supervisory Committee draw no salaries, but they receive reimbursement of the outlays resulting from the execution of their duty and a share of profit or a bonus according to Par. 18 of these rules. The distribution of the share of profit or of the bonus to the members takes place in accordance with regulations to be decided upon by the Supervisory Committee.

"Art 29.—All declarations of the Supervisory Committee are legally executed if they are done under the style 'Der Verwaltungsrat der Schantung-Bergbau-Gesellschaft' with the signature of the names of the president—or the vice-president as the case may be—and one of the members of the Committee. The Supervisory Committee is legitimated by a notarial certificate of election giving the names of its members at the time and also of its president and vice-president.

"Art. 30.—Besides the general supervision of the management through the Board of Directors and other powers given to the Supervisory Committee by these rules this Committee may particularly decide:

1) on the principles according to which landed property shall be acquired, made use of, and realised,
2) on the principles according to which mining and other industrial enterprises shall be carried on,
3) on the establishment of branch undertakings,
4) on the appointment of the higher officers of the Company in China, and also of those officers receiving an annual salary of more than 5000 Marks or taken on for more than three years and on the contracts to be closed with them and also on their dismissal,
5) on the administration in China, more particularly on the regulations made with respect to financial matters and accounting,
6) on the budget of income and expenditure of the Company to be drawn up annually,
7) on contracts, if the object exceeds 30,000 Marks or if obligations are imposed on the Company, for a term exceeding three years,
8) on the principles for the drawing up of the annual financial statement, as well as its presentation to the General Meeting and proposals regarding the use and distribution of profit balances,
9) on other matters to be brought before the General Meeting,
10) on the discharge to be granted annually to the administration in China,
11) on the delegation of one or more members of the Committee for certain commissions, more particularly for examination of the books and of cash in hand kept by the Board of Directors and for examination of the annual financial statement,
12) on the appointment of one or more special committees from among the members of the Committee and the transfer of special business affairs or classes of such to these special committees by special powers of attorney.

"Art. 31.—Of the transactions and resolutions of the Supervisory Committee minutes shall be written and signed by the participating members.

"*c) General Meeting.*

"Art. 32.—The General Meeting, properly constituted, represents the total of the Company's members.

"Its resolutions and elections are binding on all members.

"Art. 33.—The General Meetings are to be held in Berlin. To these the Board of Directors or the Supervisory Committee shall call the members at least fourteen days before the fixed date, the latter not included, by notice stating the business to be transacted.

"There may be represented: commercial firms by employees authorised by legal notification to sign per procuration; wives by their husbands; widows by their sons, if of age; minors or the persons otherwise under guardianship by their guardians or curators; corporations, institutes, limited liability companies by one of the Directors or a person authorised to sign per procuration. In all other cases a member may only be represented by another member taking part in the General Meeting by virtue of a written proxy. Proxies are to be submitted to the examination of the Board of Directors at latest on the day before the meeting and the Board may require an official or other satisfactory authentication of signatures.

"Art. 34.—At the General Meeting each share entitles to one vote. Voting can be exercised only by those members who have deposited their shares against receipts not less than five days before the date of the General Meeting with the Board of Directors or at such place as the Board may have designated in the notice, and leave them there till the end of the General Meeting.

"Art. 35.—At the General Meeting the chair shall be taken by the president of the Supervisory Committee or, in case of his being prevented, by the vice-president, or if he also either can not or will not do so, by another one of the members present of the Committee, of whom always the senior in age shall have precedence to take the chair. The chairman conducts the discussion, fixes the succession of the items on the agenda as well as the modus of voting, and appoints the scrutineers, when necessary.

"Without prejudice to the regulation in Art. 37, positions 3 and 4, the General Meeting shall only discuss and pass resolutions on items, which have been placed on the agenda at the time of calling it.

"Members, entitled to hold between them at least the tenth part of the total votes possible at a General Meeting may apply in a request, signed by them, that matters, being within the competency of General Meetings, be announced for resolution at the next meeting. The convener is then bound to place such matters on the agenda of the next General Meeting.

"If the request is however made after the General Meeting has already been called such suggestions to amplify the agenda must be in the hands of the Board of Directors not less than ten days prior to the day of the meeting.

"When this is the case, these matters are to be appointed on the agenda of the General Meeting convened, and this shall be notified not less than six days before the day of the meeting.

"Art. 36.—An ordinary General Meeting shall annually take place before the end of the month of September.

"An extraordinary General Meeting shall be convened:

1) if a resolution to that effect has been passed by a General Meeting (Art. 38),
2) if members, who are entitled to hold between them the fourth part of the total number of votes, require the convening and hand to the Board of Directors in writing a motion the object of which lies within the competency of the General Meeting,
3) if a resolution has to be passed with reference to the dissolution of the Company or its amalgamation with another Company or the alteration of its legal form,
4) if the Supervisory Committee decided on its convening for any other special cause.

"Art. 37.—At the ordinary General Meeting the financial statement with the profit and loss account for the past business year as well as the reports rendered by the Board of Directors and the Supervisory Committee shall be brought forward for information and discussion, and the resolution as to the approval of the financial statement and also as to the discharge of the administration, shall be passed. Afterwards the necessary elections (Art. 25) shall take place.

"The financial statement with the profit and loss account and the reports of the Board of Directors and of the Supervisory Committee shall be open for inspection of every member during two weeks preceding the meeting on such business premises in Berlin as are announced at the time of convening the meeting.

"The General Meeting is authorised to appoint a committee of revision, if the accounts are not passed forthwith.

"It is authorized to pass resolution on the enforcement of the responsibility to the Company of the members of the Board of Directors and of the Supervisory Committee and on the measures to be taken for this purpose, and to appoint attorneys for the execution of same.

"In addition the ordinary General Meeting is entitled to pass resolutions on every proposal, which is not assigned to the extraordinary General Meeting in conformity with Art. 36, No. 3, more particularly:

a) on the issue of further shares,

b) on the raising of loans,
c) on alterations and additions to the rules, more particularly alterations and amplifications of the objects of the Company.

"Art. 38.—Resolutions on matters denoted in Art. 36 under No. 3 are only binding, if at least three quarters of the shares are represented at the meeting. If this is not the case, an extraordinary General Meeting may be convened for the same purpose within the following six weeks, at which meeting a binding resolution may be passed, even if less than three quarters of the shares are represented. Besides, it is necessary for the validity of such a resolution that it be passed by a majority of not less than two thirds of the votes represented at the meeting.

"Alterations and additions to these rules (Art. 37, c) may be passed only by a majority of not less than two thirds of the votes represented at the meeting.

"Excepting these regulations, resolutions of the General Meeting are to be passed by absolute majority. With even votes the resolution shall be considered lost.

"If at elections, objection is raised against any other modus proposed, the voting has to be done by handing in ballot-papers and an absolute majority is necessary for election. If an absolute majority is not attained at the first voting, the further voting is limited to those two members who have received most of the votes. When votes are even, lots will be drawn.

"The minutes of the General Meeting shall be written by a notary, and shall be signed by the chairman and the scrutineers, if such have been appointed. The results only of the discussions shall be embodied therein. The naming of every individual member present is not required, but a list, signed by the chairman, of the members present or represented with a statement of the number of their votes shall be attached to the minutes of the meeting.

"A certificate of the elections by the notary writing the minutes serves as legitimation to those elected.

"Art. 39.—The redemption of the bonus shares (Art. 13) requires an alteration of the rules. All proprietors of bonus shares are subject to an agreement as to their redemption, if at a meeting of the proprietors, to be convened by advertisement (Art. 5) stating the object of the agenda, the agreement is approved by them with not less than two thirds of the votes represented in the voting. At this meeting each bonus share shall be allowed one vote. The Supervisory Committee shall decide on the manner of the further proceedings at the meeting.

"V.—Dissolution.

"Art. 40.—In case of the dissolution of the Company, after payment of all debts, the property, calculated in Marks, shall be divided among the members in proportion to the instalments paid on the shares up to the amount of such instalments, and the surplus if any, shall be divided at the rate of 50% among the members in the same proportions and 50% among the proprietors of the bonus shares.

"The distribution shall not take place before the expiry of one year, counted from the day, on which the dissolution of the Company has been published in the 'Deutscher Reichs-Anzeiger' with an invitation to the creditors to hand in their claims.

"Until conclusion of the distribution proceedings the constitution of the Company and its jurisdiction remains as heretofore.

"A partial return of the share capital to the members is subject to the same conditions as the dissolution of the Company.

"VI.—Court of Control.

"Art 41.—The control of the Company is exercised by the Imperial Chancellor, who may appoint one or more Commissioners for this purpose. These Commissioners are entitled to take part in the meetings of the Supervisory Committee and in the General Meetings and to demand at any time a report from the Supervisory Committee on the business of the Company, also to inspect the books and documents of the same, and to convene at the expense of the Company an extraordinary General Meeting, if a request for such by members of the Company entitled thereto (Art. 36, No. 2) is not followed out or if other important reasons should exist.

"Art. 42.—Subject to the approval of the controlling authorities are:
1) the raising of loans and the issue of further shares,
2) the resolutions of the Company according to which an alteration of or additions to the rules shall result, or according to which the Company shall be dissolved, amalgamated with another or its legal form altered.

"VII.—Transitionary Regulations.

"Art. 43.—The total of the 60,000 shares are taken over by the founders of the Company as named hereafter, viz:

	shares
1) by the Direction der Disconto-Gesellschaft	4000
2) by the Deutsch-Asiatische Bank	4000
3) by the Deutsche Bank	4000
4) by the Bank für Handel und Industrie	4000
5) by the Berliner Handelsgesellschaft	4000
6) by the Dresdener Bank	4000
7) by the Nationalbank für Deutschland	4000
8) by the Schaffhausen'scher Bankverein	4000
9) by S. Bleichroeder	4000
10) by Robert Warschauer & Co.	4000
11) by Born & Busse	4000
12) by Jacob S. H. Stern	4000
13) by L. Behrens & Soehne	4000
14) by the Norddeutsche Bank in Hamburg	4000
15) by Messrs. Sal. Oppenheim jr. & Co.	4000

"On the above mentioned 60,000 shares taken over by the founders 25% have been paid up by them namely 50 Marks on each share.

"Art. 44.—The first Supervisory Committee is to be elected at the constitutive General Meeting in the year 1900.

"The regulations of Art. 25 of the rules shall apply to the Supervisory Committee to be elected at this meeting.

"The first Supervisory Committee appoints immediately after the constitutive General Meeting its president and vice-president and resolves on the constitution of the Board of Directors and elects the Directors.

"All this shall be valid by the votes of members present in the foregoing General Meeting, even if less than half of the members of the Supervisory Committee have been present. Absent members need not to be called or asked for a declaration as to the acceptance of their election.

"Art. 45.—The president of the Supervisory Committee and the vice-president shall be authorised to petition the Imperial Chancellor for the approval of these rules and for the bestowal of the privileges of incorporation provided for in Par. 9 of the Law of 15th March, 1888, also to order any additions to and alterations of these rules, required by the Imperial authorities with binding power upon the Company and upon all the founders and original shareholders thereof.

"Art. 46.—The first ordinary General Meeting assembling in the year 1900 shall decide on the remuneration which shall be granted to the Supervisory Committee up to the business year 1903/1904 provided no share of profit in accordance with Art. 18 is payable before that year."

The foregoing Rules of the Schantung Berghau Gesellschaft, dated October 10th, 1899, remained in force until February 12th, 1913, when the General Meeting resolved to accept the offer made by the Schantung Eisenbahn Gesellschaft to take over the entire mining property against an issue of 5400 new Railway shares (at par), and to go into liquidation forthwith,—which resolution received the sanction of the German Imperial Chancellor on March 13th, 1913.

By a Decree of the German Imperial Chancellor, dated March 13th, 1913, and by virtue of § 9 of the foregoing "Concession" of June 1st, 1899, approval was given to the liquidation of the Schantung Bergbau Gesellschaft, and to the transfer of the concession for mining in Shantung to the Schantung Eisenbahn Gessellschaft, on the condition that the tax payable by the latter Company for dividends exceeding 5% on the capital of the Railway Company—in accordance with § 11 of the Railway Concession granted to that Company, June 1st, 1899 (annexed to No. 1900/3, *ante*, at page 240)—should be calculated upon the entire net profits of the Railway Company, regardless whether such profits result from the working of the railway and/or mines and/or from other operations undertaken by the Railway by virtue of the Rules dated February 12th, 1913 (annexed to No. 1900/3, p. 243, *ante*).

In the meanwhile, the Schantung Bergbau Gesellschaft had arranged with the Chinese authorities to liquidate its claim to a general privilege in respect to mining within a zone of 30 *li* along the railways in Shantung, in exchange for a concession of specific mining areas, by an Agreement under date of July 24th, 1911, of which the following is a translation from the Chinese text:—

Agreement for Delimitation of Mining Areas in Province of Shantung.—July 24, 1911.

"The Government of Shantung being now in accord regarding the readjustment of the mining rights along the line of the railway, the substance of the agreement with the Shantung Mining Corporation (Schantung Bergbau Gesellschaft) is embodied in the following Articles:

"SECTION I.

"Article I.—The Shantung Government and the Schantung Bergbau Gessellschaft confirm, as originally agreed, that the mines of Fangtzu and Tzu-ch'uan together with those of Chinling-chen and Chang-tien for the space of 30 *li* wide shall be exclusively operated by the Schantung Bergbau Gesellschaft.

"Article II.—The above specified mining territory of the Schantung Bergbau Gesellschaft is defined on a separate map which constitutes an important integral part of this Agreement. All mining rights within this area belong to the Schantung Bergbau Gesellschaft. Chinese Mining Companies have no rights there.

"Article III.—Outside of the special rights reserved by the Schantung Bergbau Gesellschaft as specified above, the rights to mines within 30 *li* of the finished Shantung Railway and of the unfinished Tientsin-Pukow Railway and of the recently surveyed Kiaochow-Ichow Railway which were originally granted by China to the Schantung Bergbau Gesellschaft are hereby cancelled.

"Article IV.—The original purpose of the Schantung Bergbau Gesellschaft was to preserve the right to operate mines in Po-Shan and Tzu-ch'uan within the 30-*li* belt. Now in order to display a friendly spirit it is agreed that the rights in Po-Shan Hsien are relinquished; also in Tzu-ch'uan from Ta-k'uei-shan, through Lung-K'ou-Chen towards the northwest south of the oblique line through the eastern part of Tzu-ch'uan Hsien the mining rights are relinquished, and restored to China.

"Article V.—The mines of Fang-tzu within the jurisdiction of Wei Hsien were formerly included in the 30-*li* belt as well as Ch'ang Lo and An Ch'in Hsiens. Now the Schantung Bergbau Gesellschaft, in order to show friendship, returns to China its rights to the mines of Po-Shan Hsien. Also the mining rights are returned to China in Tzu-Chow south of the diagonal line from Ta K'uei Shan through Lung K'ou Chen toward the north-west through Tzu-Chow Hsien.

"Article VI.—The mining area map agreed upon between the Shantung Government and the Schantung Bergbau Gesellschaft is issued in four sheets as follows:

(a) Mining areas in Tzu-Chow, Chin-ling Chen and Chang Tien.
(b) Mining areas on the southern boundary of Tzu-Chow.
(c) Mining areas in Wei Hsien and Ch'ang Lo Hsien.
(d) General map.

Ch'iu Hsiens which were included within the 30-*li* belt, although the Gesellschaft in order to show friendship has turned back to China its rights in the north-west part of An Ch'iu

"Article VII.—In Fang-Tzu, under the jurisdiction of Wei Hsien and in Lo-an and An Hsien yet it retains its rights in Ch'ang Lo Hsien and Ta Ching Shan to a distance of 10 Chinese *li* from Fang-Tzu.

"SECTION II.

"Article I.—Along the line of the Shantung Railway in the regions of Chang-Ch'iu, Tzu-Chow and Po-Shan Hsien, which have been relinquished by the Gesellschaft, Chinese are forbidden to open mines on a large scale before the year 1920. After that date Chinese officials and merchants may decide for themselves.

"Article II.—Within one month of the exchange of ratifications of this Agreement between the Chinese and German Governments the native mines within the railway zone shall be closed.

"Article III.—According to the Mining Regulations of the 26th Year of Kuanghsu, i.e., A. D. 1900, the mining operations of the Schantung Bergbau Gesellschaft shall be specially protected.

"Article IV.—If the Chinese Government or Chinese merchants wish to carry on mining operations in the areas relinquished by the Gesellschaft according to this Agreement, whenever the capital is insufficient they must borrow German capital. If they require supplies of machinery they must purchase German materials and if they wish to engage foreign experts, they must engage Germans.

"SECTION III.

"China undertakes to pay Mex. $210,000 to be expended by the Schantung Bergbau Gesellschaft in surveying, in purchasing land and in meeting other necessary expenses. Within one year after the signing of this Agreement this shall be paid in two instalments. As soon as possible after the signing of this Agreement the Schantung Bergbau Gesellschaft shall make a full report to China regarding its surveys and purchase of land, with maps and observations.

"SECTION IV.

"In operating iron mines near Ching-ling-chen the Mining Regulations of the 26th year of Kuanghsu (A. D. 1900) must be conformed to without evasion. It is, further,

the expectation of the Chinese officials that an iron-works shall be opened near these mines, the capital of which shall be subscribed by China and Germany jointly. It is stipulated that the call on Chinese for capital shall be limited to about $500,000. The detailed regulations will be drawn up when the iron works are to be opened.

"This Agreement is drawn up in both the Chinese and the German languages, both versions to agree in meaning, in four copies. To each are attached four sheets of mining territory maps. The deputies of the two nations will mutually exchange the original copies with the Supplement and sheets as proofs of the Agreement which both are to observe.

"Dated at Tsinan Fu
"July 24, 1911 (Hsuant'ung, 3rd Year, 6th Moon, 29th day).
"Signed: "HSIAO YING-P'ENG (CH'UN?), *Industrial Taotai of Fengtien.*
"YU TSE-TA, *Financial Commissioner of Shantung.*
"'AI-MEI-LO-LIU-HAI-ERH,' *Managing Director of the Schantung Bergbau Gesellschaft.*
"'P'EI CHIH-CHIH,' *German Consul at Tsinan Fu.*"

NUMBER 1900/5.

GERMANY AND GREAT BRITAIN.

Agreement relative to China.—October 16, 1900.*

Her Britannic Majesty's Government and the Imperial German Government, being desirous to maintain their interests in China and their rights under existing Treaties, have agreed to observe the following principles in regard to their mutual policy in China:—

1. It is a matter of joint and permanent international interest that the ports on the rivers and littoral of China should remain free and open to trade and to every other legitimate form of economic activity for the nationals of all countries without distinction; and the two Governments agree on their part to uphold the same for all Chinese territory as far as they can exercise influence.

2. Her Britannic Majesty's Government and the Imperial German Government will not, on their part, make use of the present complication to obtain for themselves any territorial advantages in Chinese dominions, and will direct their policy towards maintaining undiminished the territorial condition of the Chinese Empire.

3. In case of another Power making use of the complications in China in order to obtain under any form whatever such territorial advantages, the two Contracting Parties reserve to themselves to come to a preliminary understanding as to the eventual steps to be taken for the protection of their own interests in China.

4. The two Governments will communicate this Agreement to the other Powers interested, and especially to Austria-Hungary, France, Italy, Japan, Russia, and the United States of America, and will invite them to accept the principles recorded in it.

* Text as printed in British *Treaty Series, 1901, No. 1.* Printed also in *Rockhill,* p. 62; *China, 1900, No. 5; Hertslet,* p. 591; *Recueil,* p. 408. See Note to this document, *post,* p. 264.

Note.

The replies of the several Governments to the communications provided in Article 5, are herewith quoted (or translated) from *China, 1900, No. 5:—*

AUSTRIA-HUNGARY.

"Sir F. Plunkett to the Marquess of Salisbury.

Vienna, October 25, 1900.

"My Lord,

"On receipt of your Lordship's telegram of the 20th instant, I at once called upon the German Ambassador in order to concert with his Excellency for communicating to the Austro-Hungarian Government the Agreement respecting China which your Lordship had signed with the German Ambassador in London on the 16th instant.

"Prince Eulenberg expressed much satisfaction at your Lordship having desired me to concert with him for the communication of this Agreement, and my telegrams of the 21st and 23rd instant will have shown that, in view of the absence from Vienna of Count Goluchowski, and in view of the fact of Prince Eulenberg being confined to his house with a cold, we decided to communicate the Agreement to Count Szecsen through our respective Secretaries of Embassy.

"Mr. Milbanke and Baron Romberg, therefore, went to the Foreign Department next morning and made communication separately of the Agreement.

"Count Szecsen called at this Embassy and at the German Embassy the day before yesterday to say that he had informed the Emperor and Count Goluchowski of this communication, and was authorized to state that the Austro-Hungarian Government had heard with pleasure that Great Britain had come to this understanding with Germany, and accepted willingly the principles recorded in the Agreement which had been signed by your Lordship and the German Ambassador in London.

"I have, &c.

"F. R. Plunkett."

FRANCE.

Memorandum communicated by M. Cambon, Oct. 31st 1900.

"(Translation.)

"The Government of the Republic has taken note of the arrangement of October 16th, between the German and English Governments, which was communicated to it by the Ambassadors of Germany and England at Paris.

"The Government of the Republic has long manifested its desire to see China opened to the economic activity of the whole world: hence the emphatic adherence that it gave, in the month of December last, to a proposal of the Government of the United States prompted by the same preoccupation. Its feeling in that regard has not been changed.

"As to the integrity of China, the Government of the Republic is the more ready to assert that principle, having made it, and having on several occasions declared it, the basis of its policy in the crisis for which the joint efforts of the Powers are seeking to find a satisfactory solution.

"The universal assent to this principle seems to the Government of the Republic a sure guarantee for its being respected; and if, contrary to all expectation, it should suffer any derogation, France would take the circumstances into consideration, with a view to the safeguarding of its interests and of the rights which it possesses under the Treaties.

"October 31st, 1900."

ITALY.

"M. Visconti-Venosta to Lord Currie.

"(Translation.)

"Ministry of Foreign Affairs,

"Rome, October 22, 1900.

"M. l'Ambassadeur,

"In your note of yesterday your Excellency communicated to me, in accordance with instructions received from your Government, the Agreement arrived at on the 16th instant between Lord Salisbury and Count Hatzfeldt with regard to China.

"The two Contracting Governments having pledged themselves to give notice of their Agreement to the Powers interested, especially to France, Italy, Japan, Austria-Hungary, Russia, and the United States with an invitation to agree to the principles enunciated therein, your Excellency asked me whether these principles were accepted by the Italian Government.

"Having taken His Majesty's orders, I am to-day in a position to inform your Excellency that the Italian Government, recognizing in the Anglo-German Agreement those same principles which rule their own policy in China, do not hesitate to give their adhesion thereto.

"I beg you Excellency to be so good as to bring the above to the knowledge of Her Majesty's Government.

"I have, &c.

"VISCOUNTI-VENOSTA."

JAPAN.

"Mr. Kato to Mr. Whitehead.

"(Translation.)

"Department of Foreign Affairs,
"Tokio, October 29, 1900.

"SIR,

"I have the honour to acknowledge the receipt of your note of the 24th instant, in which, in obedience to instructions from the Marquess of Salisbury, Her Britannic Majesty's Principal Secretary of State for Foreign Affairs, you communicated to me the text of an Agreement, signed on the 16th instant by his Lordship and the German Ambassador, which reads as follows:— [See text of principal document.]

"At the same time, in further compliance with Lord Salisbury's instructions, you requested me to inform you whether the Imperial Japanese Government are inclined to accept the principles recorded in said Agreement.

"The Imperial Government, having received assurances from the contracting Powers to the effect that, in adhering to the Agreement in question, they will be placed in relation to such Agreement in the same position they would have occupied if they had been a signatory instead of an adhering State, do not hesitate to formally declare that they adhere to the said Agreement, and accept the principles embodied therein.

"Accept, &c.

"KATO TAKAAKI."

RUSSIA.

"(Translation.)

"MEMORANDUM.

"The Arrangement concluded between Germany and England does not, from our viewpoint, appreciably modify the situation in China.

"The first point of this agreement, stipulating that the ports situated on the rivers and on the seacoast of China, wherever the two Governments exercise their influence, *remain* free and open to commerce, may be favorably received by Russia, inasmuch as this stipulation in no way derogates from the *status quo* established in China by the existing Treaties.

"The second point is even more responsive to the intentions of Russia, since, from the beginning of the present complications, it has been the first to set up the maintenance of the integrity of the Celestial Empire as the fundamental principle of its policy in China.

"As to the third point, relative to the eventuality of any derogation from this fundamental principle, the Imperial Government, referring to its Circular of August 12/25th, can only renew the declaration that such an event would compel Russia to modify its attitude in accordance with the circumstances.

"The fourth point requires no comment.

"St. Petersburg,
"October 15/28th, 1900."

UNITED STATES.

"Mr. Hay to Lord Pauncefote.

"Department of State, Washington,
"October 29, 1900.

"EXCELLENCY,

"I have the honour to acknowledge the receipt of your note of the 23rd October, inclosing the text of an Agreement between Great Britain and Germany relating to affairs in China, which was signed in London on the 16th instant by the Marquess of Salisbury and the German Ambassador, on behalf of their respective Governments, and inviting the acceptance by the United States of the principles recorded in that Agreement.

"These principles are—

"'1. It is a matter of joint and permanent international interest that the ports on the rivers and littoral of China should remain free and open to trade, and to every other

legitimate form of economic activity for the nationals of all countries without distinction, and the two Governments agree on their part to uphold the same for all Chinese territory so far as they can exercise influence.

"'2. Her Britannic Majesty's Government and the Imperial German Government will not on their part make use of the present complication to obtain for themselves any territorial advantages in Chinese dominions, and will direct their policy towards maintaining undiminished the territorial condition of the Chinese Empire.'

"The United States have heretofore made known their adoption of both these principles. During the last year this Government invited the Powers interested in China to join in an expression of views and purposes in the direction of impartial trade with that country, and received satisfactory assurances to that effect from all of them. [See No. 1900/2, *ante*. Cf. also *China, No. 2 (1900)*: "Correspondence with the United States Government respecting Foreign Trade in China (the Policy of the 'Open Door.')"] When the recent troubles were at their height, this Government, on the 3rd July, once more made an announcement of its policy regarding impartial trade and the integrity of the Chinese Empire, and had the gratification of learning that all the Powers held similar views. And since that time the most gratifying harmony has existed among all the nations concerned as to the ends to be pursued, and there has been little divergence of opinion as to the details of the course to be followed.

"It is therefore with much satisfaction that the President directs me to inform you of the full sympathy of this Government with those of Her Britannic Majesty and the German Emperor in the principles set forth in the clauses of the Agreement above cited.

"The third clause of the Agreement provides—

"'3. In case of another Power making use of the complications in China in order to obtain, under any form whatever, such territorial advantages, the two Contracting Parties reserve to themselves to come to a preliminary understanding as to the eventual steps to be taken for the protection of their own interests in China.'

"As this clause refers to a reciprocal arrangement between the two High Contracting Powers, the Government of the United States does not regard itself as called upon to express an opinion in respect to it.

"I have, &c.,

"JOHN HAY."

In connection with this agreement, see also the understanding between the British and German banking groups in regard to railway interests in China, as set forth in the following transcript from *China, 1899, No. 1*, p. 211:

Anglo-German Bankers' Arrangement regarding Spheres of Interest in Railway Construction.—September 2, 1898.

"*Hongkong and Shanghai Banking Corporation to Foreign Office.—(Received September 3.)*

"31, Lombard Street, London,

"September 3, 1898.

"Dear Mr. Bertie,

"As requested I now beg to hand you a copy of the Minutes of the meetings held between M. von Hansemann and ourselves.

"In case it may interest you, I also enclose copy of the telegram I have sent to our people in the East regarding our arrangement with Germany.

"I remain, &c.

:s: EWEN CAMERON.

"Inclosure 1

"Minutes of Meetings held at New Court, St. Swithen's Lane, London, on the 1st and 2nd September, 1898.

"Present:

"Representing the German Syndicate—

"M. A. von Hansemann.

"Representing the British and Chinese Corporation (Limited)—

"Mr. W. Keswick.

"Representing the Hongkong and Shanghai Banking Corporation—

"Mr. Ewen Cameron.

"Mr. Julius Brussel.

"M. VON HANSEMANN proposed the following, viz.:—

"'It is desirable for the British and German Governments to agree about the sphere of interest of the two countries regarding the railway constructions in China, and to mutually support the interest of either country.'

"This proposal was agreed to.

"The following proposal of M. von Hansemann regarding the British and German spheres of interest for applications for Railway Concessions in China, viz.:

"'1. British sphere of interest, viz.:

"'The Yangtsze Valley subject to the connection of the Shantung lines to the Yangtsze at Chinkiang; the provinces south of the Yangtsze; the Province of Shansi with connection to the Peking-Hankow line at a point south of Chengting and a connecting line to the Yangtsze Valley, crossing the Hoangho Valley.

"'2. German sphere of interest, viz.:

"'The Province of Shantung and the Hoangho Valley with connection to Tien-tsin and Chengting, or other point of the Peking-Hankow line, in the south with connection to the Yangtzse at Chinkiang or Nanking. The Hoangho Valley is understood to be subject to the connecting lines in Shansi forming part of the British sphere of interest, and to the connecting line to the Yangtsze Valley, also belonging to the said sphere of interest.'

"Was agreed to, with the following alterations, viz.:—

"'The line from Tien-tsin to Tsinan, or to another point on the northern frontier of the Province of Shantung, and the line from the southern point of the Province of Shantung to Chinkiang to be constructed by the Anglo-German Syndicate (meaning the German Syndicate on the one part, and the Hongkong and Shanghai Banking Corporation and the British and Chinese Corporation (Limited) on the other part), in the following manner, viz.:—

"'1. The capital for both lines to be raised jointly.

"'2. The line from Tien-tsin to Tsinan, or to another point on the northern frontier of the Province of Shantung, to be built and equipped and worked by the German group.

"'3. The line from the southern point of the Province of Shantung to Chinkiang to be built and equipped and worked by the English group.

"'4. On completion, the lines to be worked for joint account.'

"So far the Minutes of the proceedings of the meetings, and it is further agreed upon that neither the German group nor the English group will be bound to construct the lines assigned to their sphere unless the Shantung lines be constructed simultaneously.

"London, September 2, 1898.

"Approved and signed by—

"A. von Hansemann,
"W. Keswick,
"Ewen Cameron,
"Julius Brussel.

"P.S.—Wherever the term 'Valley' is used it means 'Flussgebiet,' the signification of which is the districts through which streams flow into the Yangtsze or Hoangho.

"(initialed) A. von H.
W. K.
E. C.
J. B."

NUMBER 1900/6.

DENMARK (Great Northern Telegraph Company), GREAT BRITAIN (Eastern Extension, Australasia and China Telegraph Company) AND CHINA.

*Agreement in regard to the land telegraph lines between Taku and Peking.**—October 26, 1900.*

Whereas the Administration is desirous of restoring their telegraph lines between Taku and Peking, and of reopening their stations of Tien-tsin and

* Text as printed in *Recueil*, p. 412.

In connection with this agreement see the telegraph convention among the same parties, July 11, 1896 (No. 1896/3, *ante*); see also the agreements of the Chinese Telegraph Administration with the Great Northern, and with the Eastern Extension, October 22, 1902 (No. 1902/10, *post*).

Peking, and whereas the Companies are willing to assist the Administration in this matter, the following stipulations have been agreed on, and under date below given, signed by the Administration represented by its Director-General Sheng-hsuen-huai, and by the Great Northern Telegraph Company, Limited, of Copenhagen represented by its acting co-managers in China, Mr. Julius V. Petersen and Mr. K. Suenson, and by the Eastern Extension, Australasia and China Telegraph Company Limited, represented by Mr. William Bullard, all three parties duly furnished with full and special powers for this purpose.

Article I.—The Companies undertake to use their influence with their respective Governments to obtain from the allies permission for the Administration to reerect the landlines between Taku and Peking, and to reopen public stations at Tien-tsin and Peking, on condition that the Companies shall have the absolute control of the working of the above-named landlines, and of the stations at Taku, Tien-tsin and Peking.

Article II.—For the purpose, stated in Article I, the Companies shall have the right to appoint an agent at Tien-tsin and at Peking who shall have complete control of the entire Chinese staff, the working of the lines, and the management of the stations.

The Companies shall further have the right to appoint such other foreigners as they deem necessary to ensure efficient control.

At Taku the above-named lines shall be worked from the present cable station.

Article III.—The Administration shall provide accountants at Tien-tsin and Peking who shall be responsible to the Administration for all monies received for telegrams.

At the Taku station the Companies will receive all monies for all telegrams and will pay the same to the Administration.

Article IV.—The Administration undertakes to pay all expenses incurred in connection with the establishment and working of the said lines and stations, and further to reimburse to the Companies all expenses in connection with the Europeans stationed at the afore-named places by the Companies.

Article V.—This Agreement shall continue in force until the majority of the foreign troops shall have been withdrawn, and peace and the normal state of affairs in the North of China shall have been reestablished, when the Peking and Tien-tsin stations will be handed over to the Administration for their own management.

In witness whereof the undersigned, duly authorized, have signed the present Agreement.

Done at Shang-hai in the Chinese language and in the English language. Three expeditions duly compared and found to be in agreement have been signed in both languages on the twenty-sixth day of the month of October, nineteen hundred, corresponding with the fourth day of the ninth moon of the twenty-sixth year of the reign of Kwang-hsu.

(L. S.) For the Imperial Chinese Administration—*the Director-General* (*Signed*): SHENG-HSUEN-HUAI.

(L. S.) For the Great Northern Telegraph Company Limited of Copenhagen—*the acting co-managers in China,* KAY SUENSON, JULIUS V. PETERSEN.

(L. S.) For the Eastern Extension, Australasia and China Telegraph Company Limited—(*Signed*): W. BULLARD.

NUMBER 1901/1.

GREAT BRITAIN (The British Government, and the Eastern Extension, Australasia and China Telegraph Company)

Agreement for the Provision of a Submarine Cable between Chefoo and Weihaiwei.—April 23, 1901.*

AGREEMENT made the 23rd day of April, 1901, between Henry Torrens Anstruther, Esq., and Ailwyn Edward Fellowes, Esq. (commonly called the Honourable Ailwyn Edward Fellowes), two of the Lords Commissioners of His Majesty's Treasury, for and on behalf of His Majesty's Government of the one part, and the Eastern Extension Australasia and China Telegraph Company, Limited (hereinafter called "the Company"), of the other part.

1.—WHEREAS His Majesty's Government, being desirous that a telegraph cable should be laid with all possible dispatch connecting Shanghai with Weihaiwei and Taku, applied to the Company to lay such cable for the account and at the cost of His Majesty's Government, and negotiations have been proceeding as to the terms upon which such cable should be laid;

2.—And whereas since the said negotiations were entered on the Imperial Chinese Telegraph Administration (hereinafter called "the Administration") applied to the Company and to the Great Northern Telegraph Company of Copenhagen (a Danish Company working in connection with the Company hereinafter called the Great Northern Company) to lay a cable for the Administration from Shanghai to Chefoo and Taku; and the Company, with the approval of His Majesty's Government, entered into negotiations with the Administration with regard to the laying of such a cable;

3.—And whereas the said negotiations with the Administration resulted in the following basis of Agreement, the terms of which have since been embodied in two formal Agreements duly executed between the Administration of the one part and the Great Northern Company and the Company of the other part, which Agreements bear date respectively the 4th day of August and the 27th day of October, 1900:—

(*a*) The Company and the Great Northern Company are to provide and

* Text as printed in *Hertslet,* p. 1174. See Note to this document, *post,* p. 273.

lay, for Chinese account, a cable between Taku and Shanghai, connecting Chefoo *en route;* with the right to lay branch cables from Chefoo to Weihaiwei, Port Arthur, and Kiao-chau to meet the requirements of the British, Russian, and German Governments.

(*b*) For the Taku–Chefoo–Shanghai Cable the Administration is to pay the Companies 210,000*l.* by instalments spread over thirty years, together with interest on the outstanding balance at the rate of 5 per cent. per annum; with power to the Administration at the end of twenty-five years, but not before, to pay off the balance then remaining due. Until the whole of the money is paid the cables are to be mortgaged to the Companies; and as additional security, the Companies are to have a lien on the balances payable by the Companies to the Administration under the Joint Purse Agreement of July, 1896.†

(*c*) The Companies are to work and maintain at the expense of the Administration the Taku–Chefoo–Shanghai Cable, and to provide a steamer at a fixed daily cost when required for repairs or renewals together with cable required.

(*d*) All existing Agreements and Concessions between the Administration and the Companies, or either of them, are to be extended, and shall continue in force until the 31st day of December, 1930;

4.—And whereas the Joint Purse Agreement of July, 1896, referred to in the said basis of Agreement, is an Agreement, dated the 11th day of July, 1896, made between the Administration of the one part and the Great Northern Company and the Company of the other part, whereby certain arrangements were come to as to the transmission of telegraphic traffic to and from China, and to and from certain places in China, and as to sharing the profits arising from such traffic, and as to matters connected therewith;

5.—And whereas an Agreement, dated the 13th day of May, 1897,‡ was entered into between the Administration on the one part and the Great Northern Company on the other part relating to telegraphic traffic in and to and from China, and by a further Agreement, dated the 6th day of March, 1899, made between the same parties, which Agreement and further Agreement were duly confirmed by the Governments of China, Russia, and Denmark, there was added to the said Agreement of the 13th day of May, 1897, the following additional Article:—

"That in the interest of both parties to the Agreement, dated the 13th May, 1897, and for the same term of years, that is till the 31st December, 1910, no other party will be allowed without the consent of both the said parties to land telegraph cables on the coast of China and islands belonging thereto, or to work such cables in connection with the Chinese lines, or otherwise to establish telegraph connections which might create competition with or injure the interests of the existing lines belonging to China or to the Great Northern Telegraph Company of Copenhagen. This shall, however, not prevent the Chinese Government from establishing local internal cables where no competition can arise, nor from consenting to the junction by cable of Port Arthur with the Russian

† No. 1896/3, *ante.*

‡ No. 1897/3, *ante.*

telegraph system for the exchange of limitrophe local traffic, neither shall it prevent the transmission of terminal Formosa traffic over the Foochow–Formosa Cable now belonging to Japan, whilst other traffic must not be exchanged by this line except with the consent of China and of the Great Northern Telegraph Company of Copenhagen";

6.—And whereas the said Agreements of the 11th July, 1896, 13th May, 1897, and 6th March, 1899, are the principal Agreements referred to in the said basis of Agreement as "all existing Agreements and Concessions," thereby agreed to be extended until the 31st day of December, 1930, and such Agreements and Concessions by virtue of the Joint Purse Arrangements subsisting between the Company and the Great Northern Company enure for the benefit of both the said Companies;

7.—And whereas the Company has already laid an efficient telegraph cable (hereinafter called "The Chefoo–Weihaiwei Cable") from Chefoo to a point on the Island of Liu-kung-tau, selected by the military authorities at Weihaiwei, and has at such last-mentioned point constructed and established a station for the purpose of working such cable, and has provided such station with a sufficient British staff and all needful instruments and appliances, and has connected the same with the station at Chefoo from which the Taku–Chefoo–Shanghai Cable will be worked.

8.—And whereas the Company has also laid the Taku–Chefoo–Shanghai Cable:

Now it is hereby mutually agreed and declared as follows:—

1.—The Company will carry out, or will procure to be carried out, the aforesaid Agreements of the 4th August, 1900, and 27th October, 1900, with the Administration as to the working and maintenance of the Taku–Chefoo–Shanghai Cable.

2.—The Company will provide and keep at the station at Chefoo from which the Taku–Chefoo–Shanghai Cable will be worked, and will also provide and keep at the station at the Island of Liu-kung-tau a sufficient British staff to transmit all traffic between Weihaiwei, Chefoo, Shanghai, and Hong Kong, and between Hong Kong, Shanghai, Chefoo, and Weihaiwei, and the Company undertakes that all such traffic shall, as far as practicable, be transmitted throughout exclusively by British staff. Any case in which such transmission by British staff has been found impracticable shall at once be reported to His Majesty's Government with the reason thereof.

3.—The Company will maintain the connection between the Taku–Chefoo–Shanghai Cable and the Chefoo–Weihaiwei Cable and will work the Chefoo–Weihaiwei Cable for account of His Majesty's Government on the terms hereinafter expressed so long as it may be required by His Majesty's Government to do so. But the Company shall be entitled, subject to the priority and free transmission of all messages on the service of His Majesty's Government, including the local administration of Weihaiwei, to use such cable and the said station on Liu-kung-tau for the transmission of any other messages, and all receipts in respect of such last-mentioned messages, during the period that the cable is worked by the Company for account of His Majesty's Government,

shall as between His Majesty's Government and the Company belong to the Company but subject to the rights of the Administration:

Provided that His Majesty's Government may at any time by three months' notice to the Company under the hand of the Secretary or Assistant Secretary to the Treasury, determine the working of the cable by the Company for account of His Majesty's Government.

4.—If and whenever while the Chefoo–Weihaiwei Cable shall be worked by the Company for account of His Majesty's Government, such cable shall require to be repaired or renewed, the Company will, upon the request of Mis Majesty's Government, supply a cable steamer to effect, and will therewith use its best endeavours to effect, with all dispatch reasonably possible, the necessary repairs or renewals, at the price of 150*l.* for each day or part of a day such steamer shall be employed plus the cost of any cable used for such repairs or renewals, the period of employment of such cable steamer to be computed from the day of her leaving her port or station to the day of her return thither both inclusive, with the addition of the days occupied in coaling and taking cable on board preparatory to the expedition, and in discharging cable after her return to her station, provided that the said daily rate of 150*l.* shall not be chargeable in going or returning for any greater distance than from or to Hong Kong.

Provided that if the Chefoo–Weihaiwei Cable shall at any time remain out of working order for a continuous period of three months His Majesty's Government may, on the expiration of such period of three months, by notice to the Company under the hand of the Secretary or Assistant Secretary of the Treasury, determine the working of the said cable by the Company for account of His Majesty's Government immediately or on the date specified in such notice.

5.—His Majesty's Government will, out of moneys provided by Parliament, pay to the Company in London within three calendar months from the approval of this Agreement by the House of Commons the sum of 16,000*l.* His Majesty's Government will also pay to the Company by equal quarterly payments out of moneys provided by Parliament the annual sum of 4,000*l.* for the working of the Chefoo–Weihaiwei Cable, while the same shall be worked by the Company for account of His Majesty's Government as aforesaid, and the connection at Chefoo between the Chefoo–Weihaiwei Cable and the Taku–Chefoo–Shanghai Cable is maintained, and for the transmission of Government messages over the Chefoo–Weihaiwei Cable.

6.—In case of war, rebellion, or other emergency, His Majesty's Government may take possession of the Chefoo–Weihaiwei Cable, and of the stations, offices, and apparatus on such telegraph line, and may keep possession thereof for so long as His Majesty's Government may think requisite, and may work such telegraph line by Government servants; and the Company shall do all in its power to enable His Majesty's Government to have and enjoy the benefit and advantage thereof, but no compensation shall be payable to the Company by His Majesty's Government for taking and keeping possession as aforesaid.

7.—His Majesty's Government will give to the Company all needful protection from enemies, rebels, pirates, or other assailants during the working of the Taku–Chefoo–Shanghai Cable and of the Chefoo–Weihaiwei Cable.

8.—His Majesty's Government shall use their best endeavours to secure from the Administration the due fulfilment on their part of the hereinbefore recited Agreements of the 4th August, 1900, and the 27th October, 1900, and also the due observance and fulfilment by the Administration until the 31st day of December, 1930, of the terms and conditions of the recited Agreements of the 11th July, 1896, 13th May, 1897, and 6th March, 1899, stipulated and confirmed in manner aforesaid, so far as the same relate to the working of the Taku–Chefoo–Shanghai Cable or to matters arising out of this Agreement.

9.—In the event of any difference arising between His Majesty's Government and the Company regarding this Agreement or any matter or thing therein contained or relating thereto, such difference shall be determined in manner provided by "The Arbitration Act, 1889," or any then existing statutory modification thereof.

10.—This Agreement shall not be binding on His Majesty's Government or the Company until it has been approved by the House of Commons.

In witness whereof the said Henry Torrens Anstruther and the said Ailwyn Edward Fellowes, two of the Lords Commissioners of His Majesty's Treasury acting for and on behalf of His Majesty's Government, have hereunto set their hands and seals, and the Eastern Extension Australasia and China Telegraph Company, Limited, have hereunto caused their common seal to be affixed the day and year first above written.

(L.S.) Ailwyn E. Fellowes.
(L.S.) H. T. Anstruther.

Signed, sealed, and delivered by the above-named Henry Torrens Anstruther and Ailwyn Edward Fellowes in the presence of—

George Bull, *Treasury Messenger.*

(L.S.)

The Common Seal of the Eastern Extension Australasia and China Telegraph Company, Limited, was hereunto affixed in the presence of—

J. Denison Pender, *Director.*

F. E. Hesse, *Manager and Secretary.*

Note.

The following Treasury Minute, dated April 24, 1901, is appended to this document as printed in *Hertslet, loc. cit.*

British Treasury Minute regarding Chefoo-Weihaiwei Telegraph Agreement.—April 24, 1901.

"My Lords have before them an Agreement dated the 23rd April, 1901, with the Eastern Extension Telegraph Company for the construction, laying, maintenance, and working on behalf of his Majesty's Government of a submarine cable between Chefoo and Weihaiwei.

"The need for telegraphic communication with Weihaiwei became apparent soon after its occupation by Her Majesty's Government, and the events of last year rendered this need so urgent, that my Lords approached the Eastern Extension Telegraph Company with the view of ascertaining the terms upon which they would be prepared to connect the place with their system in China.

"At the time these negotiations were entered into, the cables of the Eastern Extension Company (and of the (Danish) Great Northern Company, who work in connection with them in China), went no further north than Woosung, near Shanghai, communication northwards with Peking, being carried on over the Chinese land lines. But while the nego-

tiations were in progress the Company intimated that they had been requested by the local Chinese Telegraph administration to extend their system to Chefoo and Taku, at the mouth of the Pei-ho River, and that, if this extension should be effected, communication with Weihaiwei could be afforded by the laying of a comparatively short cable from that place to Chefoo. The Company were prepared to lay such a line for a payment of 16,000*l.*, and to work it on behalf of His Majesty's Government, for a subsidy of 4,000*l.* per annum. They asked for the promise of the support of His Majesty's Government in connection with the negotiations which they and the Great Northern Company were carrying on with the Chinese Telegraph Administration.

"These negotiations resulted in the conclusion between the Chinese Administration and the Great Northern and Eastern Extension Companies of an arrangement (subsequently embodied in Agreements dated the 4th August and 27th October, 1900), [for the] establishment of cable communication under the complete control of the Companies between Shanghai, Chefoo, and Taku, with the right to lay branch lines from Chefoo to Weihaiwei, Port Arthur and Kiao-chau to meet the requirements of the British, Russian, and German Governments respectively. The Chinese Administration further agreed to extend up to the 31st December, 1930, all existing Agreements and Concessions between it and the Companies. On learning of the conclusion of this arrangement, my Lords accepted the terms quoted by the Company for the Chefoo-Weihaiwei connection, and requested them to lay the line as quickly as possible. It was opened for traffic on the 5th September last.

"The present Agreement recites the arrangements explained above, and provides for the payment to the Company of the sum of 16,000*l.* for the construction and laying of the cable within three months of the approval of this contract by the House of Commons. It also provides for an annual payment of 4,000*l.* to the Company for working the cables on behalf of His Majesty's Government so long as they may so work it, and maintain the connection between it and the Taku–Chefoo–Shanghai Cable. His Majesty's Government will pay for any repairs required to the cable. The Agreement further stipulates for the employment of British staff at Chefoo and Weihaiwei, and for the transmission of all traffic between these places, Shanghai and Hong Kong, as far as possible by British staff. His Majesty's Government undertakes to protect the Company during the working of the cables, and to use its best endeavours to secure from the Chinese Administration the due fulfilment of its engagements with the Company so far as they relate to the Taku–Chefoo–Shanghai Cable, or to matters arising out of this Agreement.

"My Lords approve of the terms of this Agreement.

"April 24, 1901."

In connection with this agreement see also the Convention for the lease of Weihaiwei, July 1, 1898 (No. 1898/14, *ante*).

NUMBER 1901/2.

RUSSIA (Chinese Eastern Railway Company) AND CHINA (Provincial Government of Kirin).

*Agreement regarding jurisdiction over Chinese subjects in the railway zone.**—July 5/18, 1901.*

Under instructions from the Engineer-in-Chief of the Chinese Eastern Railway, his duly authorized representative, Mr. Daniel, has concluded with the Chiang Chun of Kirin at the present time, that is on July 5/18, 1901, and according to the Chinese calendar the 3rd day of the 6th month of the 27th year of the reign of Kuang Hsü, the following agreement, supplementing and amend-

* Translation from the Russian version printed in *Soglashenia*, p. 23. See Note to this document, *post*, p. 277.

ing the agreement concluded on May 19/31, 1899, with Chiang-Chun Yang of Kirin for the establishment in Harbin of a Principal Department for Foreign and Railway Affairs:

1.—In Harbin, Kirin Province, there is established a Principal Department of Foreign and Railway Affairs. For this purpose, there shall be appointed a special staff of Chinese officials, of whom some shall be stationed permanently in Harbin, while others shall be distributed along the line, so that there shall be one official with each district superintendent, it being provided that these latter officials shall be directly subordinate to and at the disposition of the Harbin Department.

2.—The said Department is established for the final settlement of all cases arising in Kirin Province, if these affairs directly or indirectly touch the interests of the Chinese Eastern Railway Company, and also directly or indirectly touch the interests of Chinese subjects, not only those working on the railway, such as employees of various kinds, artisans, laborers, contractors and persons supplying goods to the railway, but also and in the same measure all other Chinese subjects, whether merchants, artisans, domestic servants and other Chinese, temporarily or permanently residing in the leased zone of the railway, even if the nature of their occupation does not have any direct relation to the railway. The Harbin Department, having its officials along the line with the district superintendents, shall entrust to these officials the settlement on the spot with the knowledge of and by agreement with the district superintendent of cases which do not constitute serious violations of Chinese laws and railway regulations; the consideration, however, and decision of the more important cases, such as cases of murder, open and collective disobedience of the authorities, Russian or Chinese, adultery, theft of over three hundred Kirin *tiao,* usury and the like, even if these cases shall arise in the section of the line furthest removed from Harbin, shall be transferred for examination and final decision to the Harbin Department. In doubtful cases, the Chinese official briefly setting forth the case in conjunction with the district superintendent, shall inquire of the Harbin Department whether the case is to be settled on the spot or whether it is to be transferred with the accused persons to Harbin. In case of need such communications shall be made by telegram through the district superintendent. A telegraphic report shall also be made immediately regarding all cases coming outside the competence of the local official in the district. All this second article refers equally to Chinese and to Manchus and Mongols living in Kirin Province.

3.—Regarding each case coming within one of the definitions set forth in Article 2, and in which proceedings have previously been begun in any office or by any particular official, a report must immediately be sent to the said Harbin Principal Department, which in its turn shall notify the Engineer-in-Chief, in order to determine whether the case should be referred to the said Department for continuation and decision, or whether it is to be left for examination and decision to the official of the Department who is nearest to the place on the line where the case arose.

4.—Hereafter all officials and offices shall refer to the Harbin Principal

Department for settlement all new complaints and claims coming before them, which refer to the cases set forth in Article 2.

5.—All complaints and claims, and also all cases in general mentioned in the second article shall be examined and investigated by members of the Harbin Principal Department, in conjunction with the Engineer-in-Chief of the Chinese Eastern Railway or his authorized representative. Also all decisions in all cases shall be arrived at by mutual agreement with the Engineer-in-Chief or his authorized representative.

6.—The Chinese subjects mentioned in Article 2 shall be subject to punishment only in accordance with a decision of the Principal Department at Harbin arrived at by due process of law, provided that the Department shall decide whether to execute the sentence in Harbin or at the place where the case originated. In cases of sentence of criminals to banishment to places not so remote (not further than 3000 *li*), the Harbin Department may give orders for the execution of such sentences to the nearest local Chinese authorities. For preliminary detention of Chinese who are arrested and for the serving of terms of imprisonment by sentences of the Harbin Department, a jail shall be built in connection with this office.

7.—All crimes for the commission of which the convicted persons shall be sentenced to the death penalty or to banishment to remote places (more than 3,000 *li*), and also in all cases when the opinions of the members of the Harbin Department are not in harmony with the opinion of the Engineer-in-Chief, are subject to the final judgment of the Chiang-Chun of Kirin, which shall be based on the reports of the members of the Department and on communications of the Engineer-in-Chief. All other cases, regardless of the degree of their importance, shall be finally settled and carried into execution by order of the President and Vice-President of the Department by mutual agreement with the Engineer-in-Chief or his authorized representative. The President and Vice-President of the Department shall on the one hand report their decisions by memorial to the Chiang-Chun of Kirin for his information, and on the other hand shall send a communication to the Principal Department for Foreign Relations of Kirin Province for preservation in the archives.

8.—All the members of the Harbin Principal Department and the soldiers shall be appointed by the Chiang-Chun of Kirin; the President and Vice-President of the Department shall also be appointed and removed by the Chiang-Chun, but after preliminary consultation with the Engineer-in-Chief, in order that for such important posts may be chosen persons known to the Chiang-Chun and to the Engineer-in-Chief as worthy men, enlightened and acquainted with railway affairs and regulations. Persons chosen in this way by mutual agreement shall be confirmed in their appointments by the Chiang-Chun.

9.—In order to meet all the expenses for maintenance of the President, Vice-President, all officials and soldiers of the said Principal Department, the Engineer-in-Chief shall place at the disposition of the President of the Department annually 60,000 taels according to the Kirin market weight. This sum shall be placed by the Engineer-in-Chief at the disposition of the President of the Department in instalments for every three months in advance.

10.—Apart from this the sum necessary for the construction of the build-

ings of the Department and houses for the employees (of inferior position), and also for the furnishing and equipping of the buildings of the Department, shall be fixed by agreement between the President of the Department and the Engineer-in-Chief. The President of the Department shall receive this sum from the Engineer-in-Chief in instalments according as it shall be required.

11.—The present agreement written in Chinese and in Russian in duplicate, after its signature by the Kirin Chiang-Chun Chang and by the authorized representatives of the Engineer-in-Chief, Mr. Daniel, shall be submitted for the signatures of the Engineer-in-Chief of the Chinese Eastern Railway, Yugovitch, and his substitute, Engineer Ignatius. One copy of this agreement must be preserved in the office of the Chiang-Chun of Kirin, and the other in the office of the Engineer-in-Chief.

The Russian text is a true rendering of the Chinese text.

Note.

In connection with this agreement see Chinese Eastern Railway Contract of September 8, 1896 (No. 1896/5, *ante*); also similar agreement of January 1/14, 1902, with the provincial authorities of Heilungkiang (No. 1902/1, *post*).

The following is a translation (from the Russian version printed in *Soglashenia*, p. 21) of the agreement of May 19/31, 1899, which the present document supplements and amends:

Agreement regarding Jurisdiction over Chinese Subjects in Railway Zone.—May 31, 1899.

"1.—In Harbin, Kirin Province, there is established a Principal Department of Foreign and Railway Affairs.

"2.—The above-mentioned Department is established to settle all cases arising in Kirin Province if these cases directly or indirectly touch the interests of the Chinese Eastern Railway Company, and also directly or indirectly touch the interests of persons working on the Chinese Eastern Railway, and also the interests of contractors of every sort for the supply of labor and work, and of artisans. As regards cases concerning unskilled laborers, such matters are subject to examination and decision by the Chinese authorities of the place where the cases arise, or according to the place where the laborer is, according to the Chinese laws, if any murder, theft, adultery or similar crime, is committed by them (unskilled laborers). However, in regard to exceptional cases, each district superintendent of the railway on the one hand shall make a report to the Principal Department in Harbin, and on the other hand shall inform the local official, and the proceedings in the case shall be suspended until the receipt of a decision from the Harbin Principal Department as to whether the case will be removed to the Principal Department for settlement or whether it will be left in the hands of the local official, after which the case shall be conducted in accordance with such instructions.

"3.—In regard to any case coming within one of the definitions in the second article in which proceedings have been begun in any government establishment, or by any particular official whatsoever, information must be given to the above-mentioned Principal Department at Harbin, which in its turn shall inform the Engineer-in-Chief in order to determine whether the case should be brought to the said Department for continuation and decision, or whether the consideration and decision is to be placed in the hands of the local authorities.

"4.—In the future all officials and offices should turn over to the Principal Department in Harbin for decision all new complaints and claims filed with them coming within the definition of cases referred to in the second paragraph: but the execution of the judgments of the Principal Department at Harbin shall be carried out by the Chinese authorities in the place where the case originated.

"5.—All complaints and claims, and also all cases in general mentioned in the second paragraph, shall be examined and investigated by members of the Principal Department at Harbin, in conjunction with the Engineer-in-Chief of the Chinese Eastern Railway, or his authorised representative. Also all decisions in all cases shall be arrived at by mutual agreement with the Engineer-in-Chief or his authorized representative.

"6.—The Chinese subjects referred to in the second paragraph, who shall be working on the railway, shall be subjected to punishment only according to a judgment of the said Principal Department at Harbin arrived at by due process of law.

"7.—All the most important matters and also cases when the opinion of the members of the Principal Department in Harbin shall not be in harmony with the opinion of the Engineer-in-Chief, shall be subject to decision by the Chiang-Chun of Kirin, which decision shall be based upon the reports of the members of the Department and upon the communications of the Engineer-in-Chief. All other affairs shall be settled by the President and Vice-President by mutual agreement with the Engineer-in-Chief or his authorized representative. But the President and Vice-President should report their decisions on the one hand by a memorial to the Chiang-Chun to be reviewed by him, and on the other hand should send a communication to the Principal Department for Foreign Relations of Kirin Province for preservation in its archives.

"8.—All members of the Principal Department at Harbin and the soldiers shall be appointed by the Chiang-Chun of Kirin; the President and Vice-President of the Department shall also be appointed by the Chiang-Chun, but after preliminary notice to the Engineer-in-Chief, in order to give weight to this appointment. Thereafter, when these persons are to be replaced, the Engineer-in-Chief may recommend for appointment as President and Vice-President officials of Kirin Province actually known to the Engineer-in-Chief who are talented and have an intimate knowledge of railway affairs: such recommendations shall be considered by the Chiang-Chun, who shall make his decision in accordance with them.

"9.—To meet all expenses for the maintenance of the President, Vice-President, all officials and soldiers of the said Principal Department, the Engineer-in-Chief shall each year place at the disposition of the President of the Department 60,000 taels according to the Kirin market weight. This sum shall be placed by the Engineer-in-Chief at the disposition of the President of the Department in instalments for each three months in advance.

"10.—Apart from this, the sum necessary for the construction of the buildings of the Department and houses for the employees (of inferior position), and also for the furnishing and equipping of the buildings of the Department, shall be determined by agreement between the President of the Department and the Engineer-in-Chief. The President of the Department shall receive it from the Engineer-in-Chief in instalments according as it shall be required.

"The Russian text is a true rendering of the Chinese text.

"The agreement was signed by

"YUGOVITCH, *Engineer-in-Chief of the Chinese Eastern Railway:* his assistant,

"IGNATIUS: and

"YANG, *Chiang-Chun of Kirin Province.*"

NUMBER 1901/3.

AUSTRIA-HUNGARY, BELGIUM, FRANCE, GERMANY, GREAT BRITAIN, ITALY, JAPAN, THE NETHERLANDS, RUSSIA, SPAIN, THE UNITED STATES AND CHINA.

Final Protocol for the settlement of the disturbances of 1900.—September 7, 1901.*

The plenipotentiaries of Germany, His Excellency M. A. Mumm von Schwarzenstein; of Austria-Hungary, His Excellency M. M. Czikann von Wahlborn; of Belgium, His Excellency M. Joostens; of Spain, M. B. J. de Cologan; of the United States, His Excellency M. W. W. Rockhill; of France, His Excel-

* Translation from the French text, as printed in U. S. *Treaty Series,* No. 397.

Printed also in *Rockhill,* p. 63; British *Treaty Series, No. 17 (1902)*; *China No. 1 (1902)*; *Customs,* Vol. I, p. 303; *Traités et Conventions,* p. 217; *Hertslet,* p. 123; *Malloy,* p. 2006; *Am. Int. Law Journal, Supplement,* 1907, p. 388. See Note 1 to this document, *post,* p. 308.

lency M. Paul Beau; of Great Britain, His Excellency Sir Ernest Satow; of Italy, Marquis Salvago Raggi; of Japan, His Excellency M. Jutaro Komura; of the Netherlands, His Excellency M. F. M. Knobel; of Russia, His Excellency M. M. de Giers; and of China, His Highness Yi-K'uang Prince Ching of the first rank, President of the Ministry of Foreign Affairs, and His Excellency Li Hung-chang, Earl of Su-i of the first rank, Tutor of the Heir Apparent, Grand Secretary of the Wen-hua Throne Hall, Minister of commerce, Superintendent of the northern trade, Governor-General of Chihli, have met for the purpose of declaring that China has complied to the satisfaction of the Powers with the conditions laid down in the note of the 22d of December, 1900 † and which were accepted in their entirety by His Majesty the Emperor of China in a decree dated the 27th of December. (Annex No. 1.)

ARTICLE I[a].—By an Imperial Edict of the 9th of June last (Annex No. 2), Tsai Feng, Prince of Ch'ün, was appointed Ambassador of His Majesty the Emperor of China, and directed in that capacity to convey to His Majesty the German Emperor the expression of the regrets of His Majesty the Emperor of China and of the Chinese Government for the assassination of His Excellency the late Baron von Ketteler, German minister.

Prince Ch'ün left Peking the 12th of July last to carry out the orders which had been given him.

ARTICLE I[b].—The Chinese Government has stated that it will erect on the spot of the assassination of His Excellency the late Baron von Ketteler a commemorative monument, worthy of the rank of the deceased, and bearing an inscription in the Latin, German, and Chinese languages, which shall express the regrets of His Majesty the Emperor of China for the murder committed.

Their Excellencies the Chinese Plenipotentiaries have informed His Excellency the German Plenipotentiary, in a letter dated the 22nd of July last (Annex No. 3) that an arch of the whole width of the street would be erected on the said spot, and that work on it was begun the 25th of June last.

ARTICLE II[a].—Imperial Edicts of the 13th and 21st of February, 1901 (Annexes Nos. 4, 5, and 6), inflicted the following punishments on the principal authors of the outrages and crimes committed against the foreign Governments and their nationals:

Tsai-I Prince Tuan and Tsai Lan Duke Fu-kuo were sentenced to be brought before the autumnal court of assize for execution, and it was agreed that if the Emperor saw fit to grant them their lives, they should be exiled to Turkestan and there imprisoned for life, without the possibility of commutation of these punishments.

Tsai Hsün Prince Chuang, Ying Nien, President of the Court of censors, and Chao Shu-Chiao, President of the Board of punishments, were condemned to commit suicide.

Yü Hsien, Governor of Shanhsi, Chi Hsiu, President of the Board of rites, and Hsü Cheng-yu, formerly senior vice-President of the Board of punishments, were condemned to death.

Posthumous degradation was inflicted on Kang Yi, assistant Grand Secre-

† See Note 2 to this document, *post*, p. 309.

tary, President of the Board of Works, Hsü Tung, Grand Secretary, and Li Ping-heng, formerly Governor-General of Szu-ch'uan.

An Imperial Edict of February 13th, 1901 (Annex No. 7), rehabilitated the memories of Hsü Yung-yi, President of the Board of war, Li Shan, President of the Board of works, Hsü Ching-cheng, senior vice-President of the Board of works, Lien Yuan, vice-Chancellor of the Grand Council, and Yuan Chang, vice-President of the Court of sacrifices, who had been put to death for having protested against the outrageous breaches of international law of last year.

Prince Chuang committed suicide the 21st of February, 1901, Ying Nien and Chao Shü-chiao the 24th, Yü Hsien was executed the 22nd, Chi Hsiu and Hsü Cheng-yu on the 26th. Tung Fu-hsiang, General in Kan-su, has been deprived of his office by Imperial Edict of the 13th of February, 1901, pending the determination of the final punishment to be inflicted on him.

Imperial Edicts dated the 29th of April and 19th of August, 1901, have inflicted various punishments on the provincial officials convicted of the crimes and outrages of last summer.

ARTICLE II[b].—An Imperial Edict promulgated the 19th of August, 1901 (Annex No. 8), ordered the suspension of official examinations for five years in all cities where foreigners were massacred or submitted to cruel treatment.

ARTICLE III.—So as to make honorable reparation for the assassination of Mr. Sugiyama, chancellor of the Japanese legation, His Majesty the Emperor of China by an Imperial Edict of the 18th of June, 1901 (Annex No. 9), appointed Na Tung, vice-President of the Board of revenue, to be his Envoy Extraordinary, and specially directed him to convey to His Majesty the Emperor of Japan the expression of the regrets of His Majesty the Emperor of China and of his Government at the assassination of the late Mr. Sugiyama.

ARTICLE IV.—The Chinese Government has agreed to erect an expiatory monument in each of the foreign or international cemeteries which were desecrated and in which the tombs were destroyed.

It has been agreed with the Representatives of the Powers that the legations interested shall settle the details for the erection of these monuments, China bearing all the expenses thereof, estimated at ten thousand taels for the cemeteries at Peking and within its neighborhood, and at five thousand taels for the cemeteries in the provinces. The amounts have been paid and the list of these cemeteries is enclosed herewith. (Annex No. 10.)

ARTICLE V.—China has agreed to prohibit the importation into its territory of arms and ammunition, as well as of materials exclusively used for the manufacture of arms and ammunition.

An Imperial Edict has been issued on the 25th of August, 1901 (Annex No. 11), forbidding said importation for a term of two years. New Edicts may be issued subsequently extending this by other successive terms of two years in case of necessity recognized by the Powers.

ARTICLE VI.—By an Imperial Edict dated the 29th of May, 1901 (Annex No. 12), His Majesty the Emperor of China agreed to pay the Powers an indemnity of four hundred and fifty millions of Haikwan Taels. This sum represents

the total amount of the indemnities for States, companies or societies, private individuals, and Chinese referred to in Article VI of the note of December 22nd, 1900.‡

(*a*) These four hundred and fifty millions constitute a gold debt calculated at the rate of the Haikwan tael to the gold currency of each country, as indicated below.

Haikwan tael=marks	3.055
=Austro-Hungary crown	3.595
=gold dollar	0.742
=francs	3.750
=pound sterling	3s.0d.
=yen	1.407
=Netherlands florin	1.796
=gold rouble (17.424 dolias fine)	1.412

This sum in gold shall bear interest at 4 per cent per annum, and the capital shall be reimbursed by China in thirty-nine years in the manner indicated in the annexed plan of amortization. (Annex No. 13.)

Capital and interest shall be payable in gold or at the rates of exchange corresponding to the dates at which the different payments fall due.

The amortization shall commence the 1st of January, 1902, and shall finish at the end of the year 1940. The amortizations are payable annually, the first payment being fixed on the 1st of January, 1903.

Interest shall run from the 1st of July, 1901, but the Chinese Government shall have the right to pay off within a term of three years, beginning January, 1902, the arrears of the first six months, ending the 31st of December, 1901, on condition, however, that it pays compound interest at the rate of 4 per cent per annum on the sums the payments of which shall have thus been deferred. Interest shall be payable semiannually, the first payment being fixed on the 1st of July, 1902.

(*b*) The service of the debt shall take place in Shanghai, in the following manner: §

Each Power shall be represented by a delegate on a commission of bankers authorized to receive the amount of interest and amortization which shall be paid to it by the Chinese authorities designated for that purpose, to divide it among the interested parties, and to give a receipt for the same.

(*c*) The Chinese Government shall deliver to the Doyen of the Diplomatic Corps at Peking a bond for the lump sum, which shall subsequently be converted into fractional bonds bearing the signatures of the delegates of the Chinese Government designated for that purpose. This operation and all those relating to issuing of the bonds shall be performed by the above-mentioned Commission, in accordance with the instructions which the Powers shall send their delegates.

(*d*) The proceeds of the revenues assigned to the payment of the bonds shall be paid monthly to the Commission.

‡ See Note 3 to this document, *post*, p. 311.

§ For final settlement of the question of indemnity, as embodied in the collective note of the Powers, July 2, 1905, see Note 6 to this document, (*post*, p. 319).

(*e*) The revenues assigned as security for the bonds are the following:

1. The balance of the revenues of the Imperial maritime Customs after payment of the interest and amortization of preceding loans secured on these revenues, plus the proceeds of the raising to five per cent effective of the present tariff on maritime imports, including articles until now on the free list, but exempting foreign rice, cereals, and flour, gold and silver bullion and coin.

2. The revenues of the native customs, administered in the open ports by the Imperial maritime Customs.

3. The total revenues of the salt gabelle, exclusive of the fraction previously set aside for other foreign loans.

The raising of the present tariff on imports to five per cent effective is agreed to on the conditions mentioned below.

It shall be put in force two months after the signing of the present protocol, and no exceptions shall be made except for merchandise shipped not more than ten days after the said signing.

1°. All duties levied on imports "ad valorem" shall be converted as far as possible and as soon as may be into specific duties. This conversion shall be made in the following manner: The average value of merchandise at the time of their landing during the three years 1897, 1898, and 1899, that is to say, the market price less the amount of import duties and incidental expenses, shall be taken as the basis for the valuation of merchandise. Pending the result of the work of conversion, duties shall be levied "ad valorem."

2°. The beds of the rivers Peiho and Whangpu shall be improved with the financial participation of China.

ARTICLE VII.—The Chinese Government has agreed that the quarter occupied by the legations shall be considered as one specially reserved for their use and placed under their exclusive control, in which Chinese shall not have the right to reside and which may be made defensible.‖

The limits of this quarter have been fixed as follows on the annexed plan (Annex No. 14): ¶

On the west, the line 1, 2, 3, 4, 5.

On the north, the line 5, 6, 7, 8, 9, 10.

On the east, Ketteler street (10, 11, 12).

Drawn along the exterior base of the Tartar wall and following the line of the bastions, on the south of the line 12,1.

In the protocol annexed to the letter of the 16th of January, 1901, China recognized the right of each Power to maintain a permanent guard in the said quarter for the defense of its legation.

ARTICLE VIII.—The Chinese Government has consented to raze the forts of Taku and those which might impede free communication between Peking and the sea; steps have been taken for carrying this out.*

ARTICLE IX.—The Chinese Government has conceded the right to the Powers in the protocol annexed to the letter of the 16th of January, 1901, to

* See Note 5 to this document, *post*, p. 316.
‖ See Note 4 to this document, *post*, p. 315.
¶ See plane-table survey facing p. 298.

occupy certain points, to be determined by an agreement between them, for the maintenance of open communication between the capital and the sea. The points occupied by the powers are:

Huang-tsun, Lang-fang, Yang-tsun, Tientsin, Chun-liang Ch'eng, Tang-ku, Lu-tai, Tang-shan, Lan-chou, Chang-li, Ch'in-wang tao, Shan-hai kuan.†

ARTICLE X.—The Chinese Government has agreed to post and to have published during two years in all district cities the following Imperial edicts:

(*a*) Edict of the 1st of February (Annex No. 15), prohibiting forever, under pain of death, membership in any antiforeign society.

(*b*) Edicts of the 13th and 21st February, 29th April, and 19th August, enumerating the punishments inflicted on the guilty.

(*c*) Edict of the 19th August, 1901, prohibiting examinations in all cities where foreigners were massacred or subjected to cruel treatment.

(*d*) Edict of the 1st of February, 1901 (Annex No. 16), declaring all governors-general, governors, and provincial or local officials responsible for order in their respective districts, and that in case of new antiforeign troubles or other infractions of the treaties which shall not be immediately repressed and the authors of which shall not have been punished, these officials shall be immediately dismissed, without possibility of being given new functions or new honors.

The posting of these edicts is being carried on throughout the Empire.

ARTICLE XI.—The Chinese Government has agreed to negotiate the amendments deemed necessary by the foreign Governments to the treaties of commerce and navigation and the other subjects concerning commercial relations, with the object of facilitating them.‡

At present, and as a result of the stipulation contained in Article VI concerning the indemnity, the Chinese Government agrees to assist in the improvement of the courses of the rivers Peiho and Whangpu, as stated below.

(*a*) The works for the improvement of the navigability of the Peiho, begun in 1898 with the cooperation of the Chinese Government, have been resumed under the direction of an international Commission. As soon as the administration of Tientsin shall have been handed back to the Chinese Government, it will be in a position to be represented on this commission, and will pay each year a sum of sixty thousand Haikwan taels for maintaining the works.

(*b*) A conservancy Board, charged with the management and control of the works for straightening the Whangpu and the improvement of the course of that river, is hereby created.

This Board shall consist of members representing the interests of the Chinese Government and those of foreigners in the shipping trade of Shanghai. The expenses incurred for the works and the general management of the undertaking are estimated at the annual sum of four hundred and sixty thousand Haikwan taels for the first twenty years. This sum shall be supplied in equal portions by the Chinese Government and the foreign interests concerned. De-

† See Note 5 to this document, *post*, p. 316.

‡ See commercial treaties concluded by Great Britain, September 5, 1902 (No. 1902/7, *post*), the United States, October 8, 1903 (No. 1903/5, *post*), and Japan, October 8, 1903 (No. 1903/4, *post*).

tailed stipulations concerning the composition, duties, and revenues of the conservancy board are embodied in annex No. 17.§

ARTICLE XII.—An Imperial Edict of the 24th of July, 1901 (Annex No. 18), reformed the Office of foreign affairs (Tsungli Yamen), on the lines indicated by the Powers, that is to say, transformed it into a Ministry of foreign affairs (Wai-wu Pu), which takes precedence over the six other Ministries of State. The same edict appointed the principal members of this Ministry.

An agreement has also been reached concerning the modification of Court ceremonial as regards the reception of foreign Representatives and has been the subject of several notes from the Chinese Plenipotentiaries, the substance of which is embodied in a memorandum herewith annexed (Annex No. 19).

Finally, it is expressly understood that as regards the declarations specified above and the annexed documents originating with the foreign Plenipotentiaries, the French text only is authoritative.

The Chinese Government having thus complied to the satisfaction of the Powers with the conditions laid down in the above-mentioned note of December 22nd, 1900, the Powers have agreed to accede to the wish of China to terminate the situation created by the disorders of the summer of 1900. In consequence thereof the foreign Plenipotentiaries are authorized to declare in the names of their Governments that, with the exception of the legation guards mentioned in Article VII, the international troops will completely evacuate the city of Peking on the 17th September, 1901, and, with the exception of the localities mentioned in Article IX, will withdraw from the province of Chihli on the 22d of September.

The present final Protocol has been drawn up in twelve identic copies and signed by all the Plenipotentiaries of the Contracting Countries. One copy shall be given to each of the foreign Plenipotentiaries, and one copy shall be given to the Chinese Plenipotentiaries.

Peking, 7th September, 1901.

A. v. MUMM.
M. CZIKANN.
JOOSTENS.
B. J. DE COLOGAN.
W. W. ROCKHILL.
BEAU.
ERNEST SATOW.
SALVAGO RAGGI.
JUTARO KOMURA.
F. M. KNOBEL.
M. DE GIERS.

} Signatures and seals of Chinese plenipotentiaries.

§ Annex No. 17 was replaced by the stipulations of the Huangpu Conservancy Agreement of September 27, 1905 (No. 1905/10, *post*).

[Translation.]

ANNEXES TO THE FINAL PROTOCOL.

No. 1. Imperial Edict of 27 December, 1900.
2. Imperial Edict of 9 June, 1901.
3. Letter of the Chinese plenipotentiaries of 22 July, 1901.
4. Imperial Edict of 13 Feburary, 1901.
5. Imperial Edict of 13 February, 1901.
6. Imperial Edict of 21 February, 1901.
7. Imperial Edict of 13 February, 1901.
8. Imperial Edict of 19 August, 1901.
9. Imperial Edict of 18 June, 1901.
10. List of desecrated cemeteries.
11. Imperial Edict of 25 August, 1901.
12. Imperial Edict of 29 May, 1901.
13. Table of amortization.
14. Plan of the diplomatic quarter and notice.
15. Imperial Edict of 1st February, 1901.
16. Imperial Edict of 1st February, 1901.
17. Regulations for the improvement of the Whangpu.
18. Imperial Edict of 24 July, 1901.
19. Memorandum concerning court ceremonial.

Annex No. 1.

IMPERIAL EDICT of the 27th December, 1900 (Translation).

[Seal of the Emperor.]

The 6th day of the 11th moon of the 26th year of Kuang-hsü (27 December, 1900), the following Edict was rendered:

"We have taken cognizance of the whole telegram of Yi-K'uang and Li Hung-chang. It is proper that We accept in their entirety the twelve articles which they have submitted to us."

Respect this!

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 2.

IMPERIAL EDICT of the 9th of June, 1901 (Translation).

"We confer on Tsai Feng, Prince Ch'ün of the first rank, the title of Ambassador extraordinary, and We direct him to proceed to Germany to respectfully discharge the mission which We confide to him.

"Chang Yi, reader of the Grand Chancellery, and Yin Ch'ang, military Lieutenant-Governor, shall accompany him as secretaries.

"Respect this!"

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

ANNEX No. 3.

Despatch of Prince Ching and of Li Hung-chang of the 22 July, 1901, to His Excellency M. de Mumm, German Plenipotentiary (Translation).

Official reply.

On the 3rd day of the 5th moon of the present year (18th of June, 1901), We have received from Your Excellency the following official communication:

"Messrs. Jui-liang, secretary, and Lien-fang, expectant taotai, delegates entrusted with carrying out Article I of the Joint Note providing for the erection of a commemorative monument on the place of the assassination of Baron von Ketteler, former Minister of Germany, commenced some time ago the discussion of the subject with my Legation, and have taken up the question of the plan of this monument.

"During frequent conversations they have stated that if it were necessary that a commemorative arch in marble, from Ta-li and extending the whole width of the avenue of Ch'ung-wen-men, should be erected on the spot of the assassination, the work would require a great deal of time, in view of the difficulty in transporting the materials; but as to adopting some other means, either of transferring to the place of the assassination an archway erected at the present time in some other spot, or of putting up a new arch, or of using an old archway to be transported to the place, they left this to the determination of my Government.

"I at once telegraphed my Government to inform me of its views.

"The reply which I have just received informs me that His Majesty the Emperor of Germany has himself decided that a new archway extending across the whole width of the street should be put up.

"I have consequently to urgently request you to take immediate steps, so that the work may begin at once."

We, Prince and Minister, have at once directed the said secretary and taotai to act in conformity. According to the report which they have sent us, "the work was begun on the 10th day of the 5th moon (25th of June) by the foundations. But a certain length of time is necessary for getting out the stone, cutting it and for the transportation of materials; and the only thing that can be done is to watch that the workmen use their best endeavors to carry on promptly the work."

Besides having directed that We should be kept informed of the execution of the work, We deem it necessary to send the present official reply to Your Excellency, requesting you to take note of it.

Correct copy.

A. D'ANTHOUARD.
B. KROUPENSKY.
REGINALD TOWER.
G. BOHLEN-HALBACH.

Annex No. 4.

IMPERIAL EDICT of the 13th of February, 1901 (Translation).

Since the 5th moon (end of May) the Boxers have created trouble in the capital and have begun hostilities against friendly countries. Yi-K'ung and Li Hung-chang are negotiating for peace at Peking with Representatives of the Powers, and a whole preliminary arrangement has already been signed.

(If) We consider the commencement of these events, we find that they are attributable to several stupid Princes and Ministers, insane, absolutely ignorant, turbulent, and who have ignored the laws. They had most absolute confidence in pernicious methods and have led on the Court. Not only did they refuse to obey Our orders to exterminate the Boxers, but they have been so far as to believe in them, and, stupidly, they began to attack (the Legations). So it was that this evil fire spread abroad, and circumstances did not permit of its being stopped, several tens of thousands of evil-doers having assembled at the elbow and the armpit (that is to say, at the most important points). Furthermore, the leaders forced generals and ignorant soldiers to attack the Legations, and so it befell that inconceivable evils persisted for several months.

The tutelary deities of the Empire have been in danger, the Imperial tombs and the temples of Ancestors have trembled, the country has been devastated; the inhabitants are plunged in misery. No words can express the dangers which We and H. M. the Empress Dowager have been exposed to. Our heart and Our head are still painful; Our tears and Our resentment are confounded. It is to you, Princes and Ministers, who, by believing in evil words and allowing evil-doers free hand, have put in danger in Heaven our Ancestors and Our gods, and who here below have caused the people to endure these calamities. Do you ask what punishments you deserve?

We have already issued two decrees. But, considering that such light punishments for such grievous faults could not be sufficient to make you expiate your crimes, We must impose upon you new and more severe punishments according to your degree of guilt.

Tsai-i hsün, Prince Chuang, already degraded, allowed the Boxers to attack the Legations. He, on his own authority, published proclamations contrary to the treaties; he lightly believed the statements of evil-doers; he unlawfully caused to be decapitated a great number of persons; he has shown himself, of a truth, vulgar and stupid. We invite him, as a favor, to commit suicide. We direct Ko-pao-hua, acting president of the Court of Censors, to go and see (that the suicide has taken place).

Tsai-i, Prince Tuan, already degraded, led away with him several Princes and Peilo (Princes of the 3d class). He foolishly gave heed to the Boxers and stupidly advised fighting. So all these troubles broke out; his faults, of a truth, can not be ignored. Tsai-lan, Duke Fu-kuo, reduced in rank, in concert with Tsai-hsün, foolishly published proclamations contrary to the treaties. He should also be punished for his faults. We deprive them of their nobiliary titles, but, considering that they belong to our family, we order, by special act

of grace, that they be sent to Hsin-chiang (Ili) where they shall be condemned to prison for life. Deputies shall be at first sent to watch them.

YÜ-HSIEN, degraded governor, foolishly believed, when formerly discharging the duties of governor in Shantung, in the charms of the Boxers. Arriving in Peking, he extolled them so highly that several Princes and Ministers fell under his evil influence. Being governor of Shansi, he massacred a great number of missionaries and Christians. He is worse than an imbecile, than a fool, than a murderer; he is the chief culprit and the author of all these calamities. He has already been sent to Hsin-chiang, and, believing that he has arrived in Kan-su, We order that, on the receipt of the order which We send, he shall be at once beheaded. We direct the Provincial Judge Ho Fu-kun to see that the penalty is carried out.

KANG-YI, Assistant Grand Secretary of State, President of the Board of Works, having lent his aid to the Boxers, serious disturbances broke out. He aided in publishing proclamations contrary to the treaties. A severe punishment was to have been inflicted on him at first, but he has died of disease. We order that the honors which he previously held shall be withdrawn from him and that he be at once degraded.

TUNG FU-HSIANG, general in Kan-su, degraded but retained in office, entered (Peking) to defend (the city) with the troops under his orders; he was unable to maintain strict discipline. Ignorant, furthermore, of international questions, he followed his ideas and acted in an inconsiderate manner. Although the attacks on the Legations were ordered him by the above degraded Princes, it is nevertheless difficult to absolve him of all faults. We intended in the first instance to have punished him severely, but, considering the signal services he has rendered in Kan-su and the sympathy felt for him by Mussulman and Chinese, as an act of extraordinary grace, We order that he shall be immediately degraded.

YING-NIEN, President of the Court of Censors, reduced in rank and displaced, opposed TSAI-HSÜN publishing on his own authority proclamations contrary to the treaties. We may make due allowance for this circumstance, but as he was not able to overcome (this resistance) by force, it is, after all, difficult to absolve him. We order, as a mark of great benevolence, that he be degraded. We condemn him to death, and he shall await in prison that his case be passed on.

CHAO SHU-CHIAO, President of the Board of Punishments, degraded and retained in office, had never shown till then any unfriendly feeling in relations with the Foreign Powers. Having made a report on the Boxers, he said nothing in their favor, but through his negligence faults were made. We order, as a special act of grace, that he be degraded. We condemn him to death, and he will await in prison that his case be passed on.

We command that YING-NIEN and CHAO SHU-CHIAO be in the first place confined in the prison of the capital of Shensi.

HSU TUNG, Grand Secretary of State, and LI PING-HENG, former Governor-General of Sze-chuan, reduced in rank and displaced, died for their country, but everyone knows their faults. We order that they be degraded, and We deprive them of the posthumous honors which We had conferred on them.

After the promulgation of this decree all our friendly nations should

recognize that the events caused by the Boxers are in truth only attributable to the principal authors of trouble and in no wise to the wishes of the Court.

We, the Emperor, not lightly punishing several of the principal authors of trouble, the officials and the people of the Empire will understand at once that the consequences of such acts are most serious.

Respect this!

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 5.

IMPERIAL EDICT of the 13 February, 1901 (*Translation.*)

Ch'i-hsiu, president of the Board of Rites, and Hsü Cheng-yu, formerly senior Vice-President of the Board of Punishments, are in the first place to be degraded.

We order Yi K'uang and Li Hung-chang to obtain exact proof of their guilt and to send Us at once a report. They shall be punished with the greatest severity.

Respect this!

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 6.

IMPERIAL EDICT of the 21 February, 1901 (*Translation.*)

Edict published and sent telegraphically the 3rd day of the 1st moon (21 February, 1901), and received on the 4th by the Grand Chancellery.

"By a former Edict We had already severely punished, according to the several cases, all the high officials, the principal authors of the present misfortunes. But We received some time ago a telegraphic report from Yi-K'uang and Li Hung-chang telling Us that, according to an official despatch from the Ministers Plenipotentiary of the various Powers, new and severer punishments were necessary, and begging Us to take action.

"Besides Tsai-hsün, who has been ordered to commit suicide, and Yü-hsien, against whom has been pronounced the penalty of immediate decapitation, and for each of whom deputies have been ordered to go see that (the sentences have been carried out), We decide that the penalty to be inflicted on Tsai-yi (Prince Tuan) and Tsai-lan (Duke Lan) is decapitation with reprieve; nevertheless, in view of the relationship in which they stand to Us, We show them the

special act of grace of sending them to the frontier of the Empire, in Turkestan, where they shall be imprisoned for life. A deputy to take them under escort shall be designated, and shall leave at once.

"As to KANG-YI, whose crimes were greater, the penalty should have been immediate decapitation, but as he has already died of disease, as an act of grace, he shall be spared further inquiry into his case.

"As regards YING-NIEN and CHAO SHU-CHIAO, whose punishments, according to Our former decisions, were to have been decapitation with reprieve, We command that they be requested to commit suicide, and We direct Ch'en Ch'un-huan, Governor of Shan-si, to go and verify (their deaths).

"As to CH'I-HSIU and HSÜ CHENG-YU, whom the Powers designate as the most ardent protectors of the Boxer bandits, and as having most particularly done harm to foreigners, We had previously ordered their degradation; We (now) order Yi-K'uang and Li Hung-chang to ask the Powers, by despatch, for their surrender, and to have them executed at once. One of the Presidents of the Board of Punishments shall be directed to verify (their execution).

"As to HSÜ TUNG, who compromised the great general interests by putting his confidence in the Boxers, and LI PING-HENG, whose bragging ways directly brought about these misfortunes, the punishment which should have been theirs was decapitation with reprieve; but taking into consideration the fact that they committed suicide when they saw the disaster coming, and that they have already been degraded, and that the posthumous honors which had been granted them have been annulled and withdrawn, it is needless to take up their cases.

"The nature of the crimes committed by all the principal authors of the wrong has been set forth in a clear and detailed way in previous decrees.

Respect this!

Correct copy.

A. D'ANTHOUARD.
B. KROUPENSKY.
REGINALD TOWER.
G. BOHLEN-HALBACH.

ANNEX No. 7.

IMPERIAL EDICT of the 13th February, 1901 (Translation).

The trouble brought about by the Boxers during the 5th moon (May-June) having spread from day to day, the Court had two difficult methods to adopt—to take coercitive measures or to pacify them. In the hope that a line of conduct would be shown Us the Ministers were several times called in audience.

We have repeatedly questioned HSÜ YUNG-YI, President of the Board of War, LI-SHAN, President of the Board of Finance, HSÜ CHING-CHENG, senior vice-President of the Board of Works, LIEN-YUAN, vice Chancellor of the Grand Council, YUAN-CHANG, vice-President of the Court of Sacrificial Worship.

In their speech and in their mind all admitted that the two methods were possible. Several Ministers, instigators of trouble, availing themselves of this

fact, unjustly accused them, handed in memorials in which they denounced them. So it came about that they were severely punished in their persons.

But considering that Hsü Yung-yi and the others showed great zeal for many years and have always had charge of international questions, that they may have been faithful, and that they had shown themselves industrious, We should grant them a favor.

We command that Li-shan, Hsü Yung-yi, Hsü Ching-cheng, Lien-Yuan, and Yuan-chang be restored to their former honors.

Let the ministry concerned be informed.

Respect this!

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 8.

IMPERIAL EDICT of the 19th August, 1901 (Translation).

Edict received by the Grand Chancellery the 6th day of the 7th moon of the 27th year of Kuang-hsü (19 August, 1901).

"Considering the report of this day by which Yi-K'uang and Li Hung-chang inform Us that the foreign Powers have decided on the suspension during five years of civil and military examinations in the localities where troubles have taken place;

"Considering that it is declared that this suspension shall remain applicable to the local examinations for licentiates of Shun-t'ien and of T'ai-yuan;

"Considering the list comprising the localities of—

"Province of Shan-si: T'ai-yuan Fu, Hsin-chou, Tai-ku Hsien, Ta-t'ung Fu, Fen-chou Fu, Hsiao-i Hsien, Ch'u-wo Hsien, Ta-ning Hsien, Ho-ching Hsien, Yueh-yang Hsien, So-p'ing Fu, Wen-shui Hsien, Shuo-yang Hsien, P'ing-yang Fu, Ch'ang-tzu Hsien, Kao-p'ing Hsien, Tse-chou Fu, Hsi Chou, P'u Hsien, Chiang-chou, Kuei-hua Ch'eng, Sui-yuan ch'eng;

"Province of Ho-nan: Nan-yang Fu, Kuang-chou;

"Province of Che-chiang: Ch'ü-chou Fu;

"Province of Chih-li: Pei-ching, Shun-t'ien Fu, Pao-ting Fu, Yung-ching Hsien, T'ien-ching Fu, Shun-tê Fu, Wang-tu Hsien, Huai-lu Hsien, Hsin-ngan Hsien, T'ung-chou, Wu-i Hsien, Ching-chou, Luan-ping Hsien;

"Three provinces of Manchuria: Sheng-ching (= Mukden), Chia-tzü-ch'ang, Lien-shan, Yu-ch'ing-chieh, Pei-lin-tzü, Hu-lan Ch'eng;

"Province of Shen-si: Ning-chiang Chou;

"Province of Hu-nan: Heng-chou Fu;

"We command that in all these localities civil and military examinations shall be suspended during a period of five years, and We order all governors-

general, governors, and examiners of the aforesaid provinces to act in conformity and to publish proclamations.

"Respect this!"

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 9.

IMPERIAL EDICT of 18th of June, 1901 (Translation).

Edict received by telegraph from Hsi-an-Fu the 3d day of the 5tl. moon (18th of June, 1901):

We confer on Na-tung, second Vice-President of the Board of Finances, the official button of the first rank, and we designate him as special Envoy to go to Japan and to there respectfully discharge the mission We entrust to him.

Respect this!

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 10.

List of cemeteries situated in the neighborhood of Peking and which have been desecrated.

British cemetery	One
French cemeteries	Five
Russian cemetery	One
Total	Seven

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 11.

IMPERIAL EDICT of the 25th of August, 1901 (Translation).

We command all Tartar Generals, Governors general, and Governors of provinces, as well as the Customs taotais, to forbid, in the first place for a period

of two years, the importation of implements of war as well as of material serving exclusively in their manufacture and of foreign origin.

Inform the ministry concerned.

Respect this!

Correct copy.

A. D'ANTHOUARD.
B. KROUPENSKY.
REGINALD TOWER.
G. BOHLEN-HALBACH.

ANNEX No. 12.

Despatch of Prince Ch'ing and Li Hung-chang to M. de Cologan, Minister of Spain, Doyen of the Diplomatic Body (29 May, 1901) (Translation).

The 12th day of the 4th moon of the 27th year of Kuang-hsü (29th May, 1901).

Official Reply.

The 7th day of the 4th moon of the present year (24 May, 1901), we received from Your Excellency the following official despatch:

"I have the honor to acknowledge to Your Highness and Your Excellency receipt of the letter which you were pleased to send me in reply to my communication dated May 7th concerning the indemnities. In the letter to which Your Highness and Your Excellency have just replied we informed you that the approximate figure of the expenses incurred and of the losses sustained by the Powers amounted to the sum of 450 millions of taels, calculated to the 1st of July of the current year.

"In reply to this communication Your Highness and Your Excellency have informed me that the Chinese Government proposed to pay off this sum to the powers by monthly payments of 1,250,000 taels during 30 years.

"The Representatives of the Powers have not failed to transmit this proposal to their Governments. But they must call the attenion of Your Highness and Your Excellency to the fact that the total of the payments proposed by the Chinese Government only represents the capital of the sum mentioned, without the question of interest having been taken account of.

"I consquently beg Your Highness and Your Excellency to be so kind as to inform us as soon as possible of the intention of the Chinese Government in this respect."

In considering in a previous despatch the question of indemnities, we explained to your Excellency the penury of the Chinese treasury.

In your last communication Your Excellency is pleased to call our attention to the fact that the annual payments of fifteen millions of taels which we proposed only represent the capital, and you now call our attention to the question of interest.

As we, on our side, had already considered that besides the capital there also had to be taken into consideration the question of annual interest at 4 per cent, we had already, by telegram, submitted to the Throne proposals on this subject,

and in reply we have received an Imperial Edict, stating that "the figure of four hundred and fifty millions of indemnities to be paid the Powers, with interest at 4 per cent, is approved," and we are commanded to take the necessary measures to carry out this decision.

We have, therefore, only to comply with the orders of the Throne.

Nevertheless this obliges us to recall to Your Excellency that the financial resources of China are so restricted that nothing more can be taken from them possibly beyond the fifteen millions of taels which we have already proposed to Your Excellency to devote specially to the payment of indemnities, but as this sum must not only furnish payment of the capital, but also that of interest, we have no other alternative to propose than to prolong the terms of payments, which we had in the first place fixed at 30 years, in such a way that the instalments paid during the first period of this term thus extended shall be considered as destined to extinguish the capital, while those made during the second period shall be applied to liquidating the interest account, after which all payments would cease through the extinction of the debt. The Imperial Maritime Customs, already entrusted as we suggested, with the payments of the capital, would likewise be entrusted with the payments on account of interest. As to the amount of the annual interest, it would be understood that it would decrease proportionately every year, according to the progressive reduction of the capital.

We have the honor to request Your Excellency to kindly inform us what you think of the plan we suggest above to pay off both capital and interest, or if in your opinion it would not be better to consider a portion of the fifteen millions paid annually as an instalment on the capital to be paid off, and the balance as an instalment on the interest. These details require a careful examination, and demand a previous and full understanding between the parties.||

China having thus shown its good will in assenting to the demands of the Powers on the question of the indemnity, and in taking all the necessary steps to insure an integral payment of it, we hope to have soon the satisfaction of learning that the Powers are in a position to fix an early date for the evacuation.

We have the honor to request Your Excellency to kindly communicate the above to the Representatives of the Powers.

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

|| See Note 6 to this document, *post*, p. 319.

Annex No. 13.

PLAN OF AMORTIZATION.

Years.	Series A. Tls. 75,000,000. Extinguished in 1940 by means of a yearly amortization of 1.106 per cent in 39 years, beginning in 1902.	Series B. Tls. 60,000,000. Extinguished in 1940 by means of a yearly amortization of 1.783 per cent in 30 years, beginning in 1911.	Series C. Tls. 150,000,000. Extinguished in 1940 by means of a yearly amortization of 2,256 per cent in 26 years, beginning in 1915.	Series D. Tls. 50,000,000. Extinguished in 1940 by means of a yearly amortization of 2.401 per cent in 25 years, beginning in 1916.	Series E. Tls. 115,000,000. Extinguished in 1940 by means of a yearly amortization of 9.449 per cent in 9 years, beginning in 1932.	Amount of sums due on Series A, B, C, D, E.	Annuities of the existing debt guaranteed by the M. I. eustoms and likin taxes	Aggregate amount of the foreign debt.
	Tls.	*Tls.*	*Tls.*	*Tls.*	*Tls.*	*Tls.*	*Tls.*	*Tls.*
1902.....	Int. & am...3,829,500	Int.....2,400,000	Int.....6,000,000	Int.....2,000,000	Int.....4,600,000	18.829,500	23,600,000	42,429,500
1903.....	" "	" "	" "	" "	" "	"	23,300,000	42,129,500
1904.....	" "	" "	" "	" "	" "	"	23,300,000	42,129,500
1905.....	" "	" "	" "	" "	" "	"	24,100,000	42,929,500
1906.....	" "	" "	" "	" "	" "	"	23,900,000	42,729,500
1907.....	" "	" "	" "	" "	" "	"	23,700,000	42,529,500
1908.....	" "	" "	" "	" "	" "	"	23,400,000	42,229,500
1909.....	" "	" "	" "	" "	" "	"	23,400,000	42,229,500
1910.....	" "	" "	" "	" "	" "	"	23,200,000	42,029,500
1911.....	" "	Int. & am...3,469,800	" "	" "	" "	19,899,300	22,800,000	42,699,300
1912.....	" "	" "	" "	" "	" "	"	22,600,000	42,499,300
1913.....	" "	" "	" "	" "	" "	"	22,400,000	42,299,300
1914.....	" "	" "	" "	" "	" "	"	22,100,000	41,999,300
1915.....	" "	" "	Int. & am...9,384,000	" "	" "	23,283,300	19,400,000	42,683,300
1916.....	" "	" "	" "	Int. & am...3,200,500	" "	24,483,800	18,500,000	42,983,800
1917.....	" "	" "	" "	" "	" "	"	18,500,000	42,983,800
1918.....	" "	" "	" "	" "	" "	"	18,500,000	42,983,800

1919.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1920.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1921.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1922.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1923.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1924.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1925.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1926.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1927.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1928.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1929.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1930.....	"	"	"	"	"	"	"	"	"	"	"	18,500,000	42,983,800
1931.....	"	"	"	"	"	"	"	"	"	"	"	18,400,000	42,883,100
1932.....	"	"	"	"	"	"	"	"	Int. & am..	15,466,350	35,350,150	7,500,000	42,850,150
1933.....	"	"	"	"	"	"	"	"	"	"	"	6,300,000	41,650,150
1934.....	"	"	"	"	"	"	"	"	"	"	"	5,900,000	41,250,150
1935.....	"	"	"	"	"	"	"	"	"	"	"	5,900,000	41,250,150
1936.....	"	"	"	"	"	"	"	"	"	"	"	5,900,000	41,250,150
1937.....	"	"	"	"	"	"	"	"	"	"	"	5,900,000	41,250,150
1938.....	"	"	"	"	"	"	"	"	"	"	"	5,900,000	41,250,150
1939.....	"	"	"	"	"	"	"	"	"	"	"	5,900,000	41,250,150
1940.....	"	"	"	"	"	"	"	"	"	"	"	5,900,000	41,250,150
	4.18433 of the whole amount of tls. 450,000,000 from the year 1902.		4.23773, or, inclusive of the foregoing rate, 4.42206 of the whole amount of tls. 450,000,000 from the year 1911.		4.752000, or, inclusive of the foregoing rate, 5.17406 of the whole amount of tls. 450,000,000 from the year 1915.		4.26677, or, inclusive of the foregoing rate, 5.44083 of the whole amount of tls. 450,000,000 from the year 1916.		6.41477, or, inclusive of the foregoing rate, 7.85560 of the whole amount of tls. 450,000,000 from the year 1932.		Aggregate amount to be paid, tls. 982,238,150.		

Correct Copy,
A. D'ANTHOUARD
B. KROUPENSKY
REGINALD TOWER
G. BOHLEN-HALBACH

Annex No. 14.

Description of the boundaries of the Legation quarter at Peking.¶

Point 1 is situated on the south wall of the Tartar City an hundred feet to the east of the east side of the superstructure of the Ch'ien Men. From this point the boundary runs for a distance of two hundred and sixteen feet, following a line nearly due north, as far as

Point 2, southeast corner of the balustrade in white stone which encloses the open paved space before the principal entrance of the Imperial City.

From this point the boundary runs for a length of three hundred and ten feet along the east side of this balustrade, nearly directly north until

Point 3, situated on the north side of the road which forms a continuation of Legation street, and is at the intersection of the boundary line coming from *2* and of a line drawn along the continuation of the north side of the Legation street.

From this point the line runs for a length of six hundred and forty-one feet and a half (measured around and in the angles of the wall) along the north side of Legation street as far as

Point 4, at one hundred and forty-six to the west of the corner (southwest) of Gaselee road, measured along the north of Legation street.

From this point the boundary runs for a length of two thousand one hundred and fifty-two feet (measured around and in the angles of the buildings) in a general northerly direction, but following the line of the buildings now existing and, in the open spaces between the buildings, a line parallel to the general line of the buildings on the left side of Gaselee road and at one hundred and fifty-seven feet on the west side of the west side of the gate which leads from Gaselee road to the exterior court of the Imperial City, as far as

Point 5, on the south side of the south wall of the interior court of the Imperial City, and at one hundred and fifty-seven feet from the west side of the gate at the end of Gaselee road.

From this point the line runs for a distance of one thousand two hundred and eighty-eight feet nearly directly toward the east, along the wall as far as

Point 6, southeast corner of the exterior court of the Imperial City.

From there the line runs nearly directly north along the wall for a distance of two hundred and eighteen feet measured in a straight line to

Point 7, northeast corner of the exterior court.

From there the line runs nearly due east for a distance of six hundred and eighty-one feet to

Point 8, southeast corner of the wall of the Imperial City.

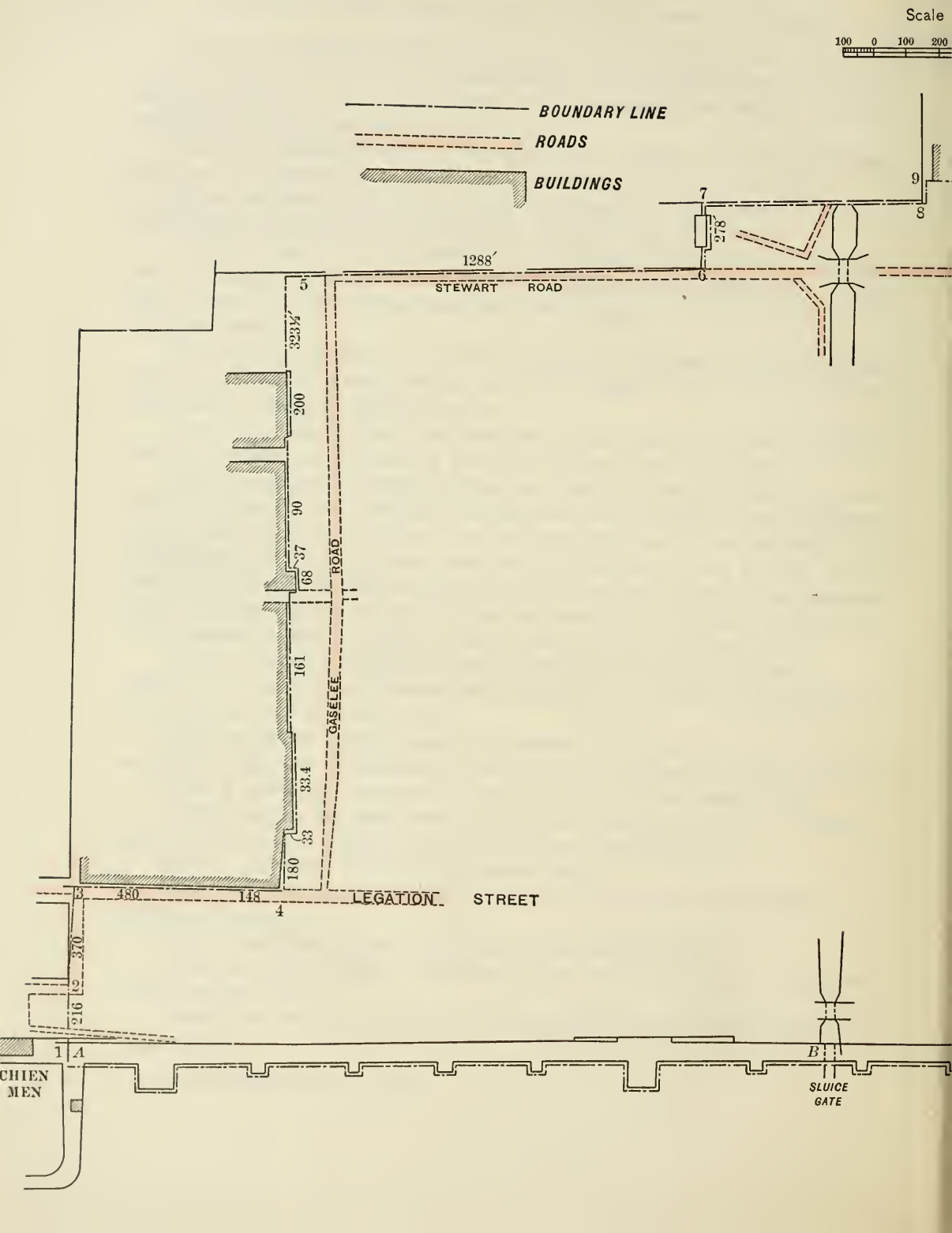
From there the boundary runs nearly due north for a distance of sixty-five feet along the wall to

Point 9, at sixty-five feet from the southeast corner of the wall of the Imperial City.

¶ See Plane-table Survey, opposite.

PEKING LEGA

PLANE T

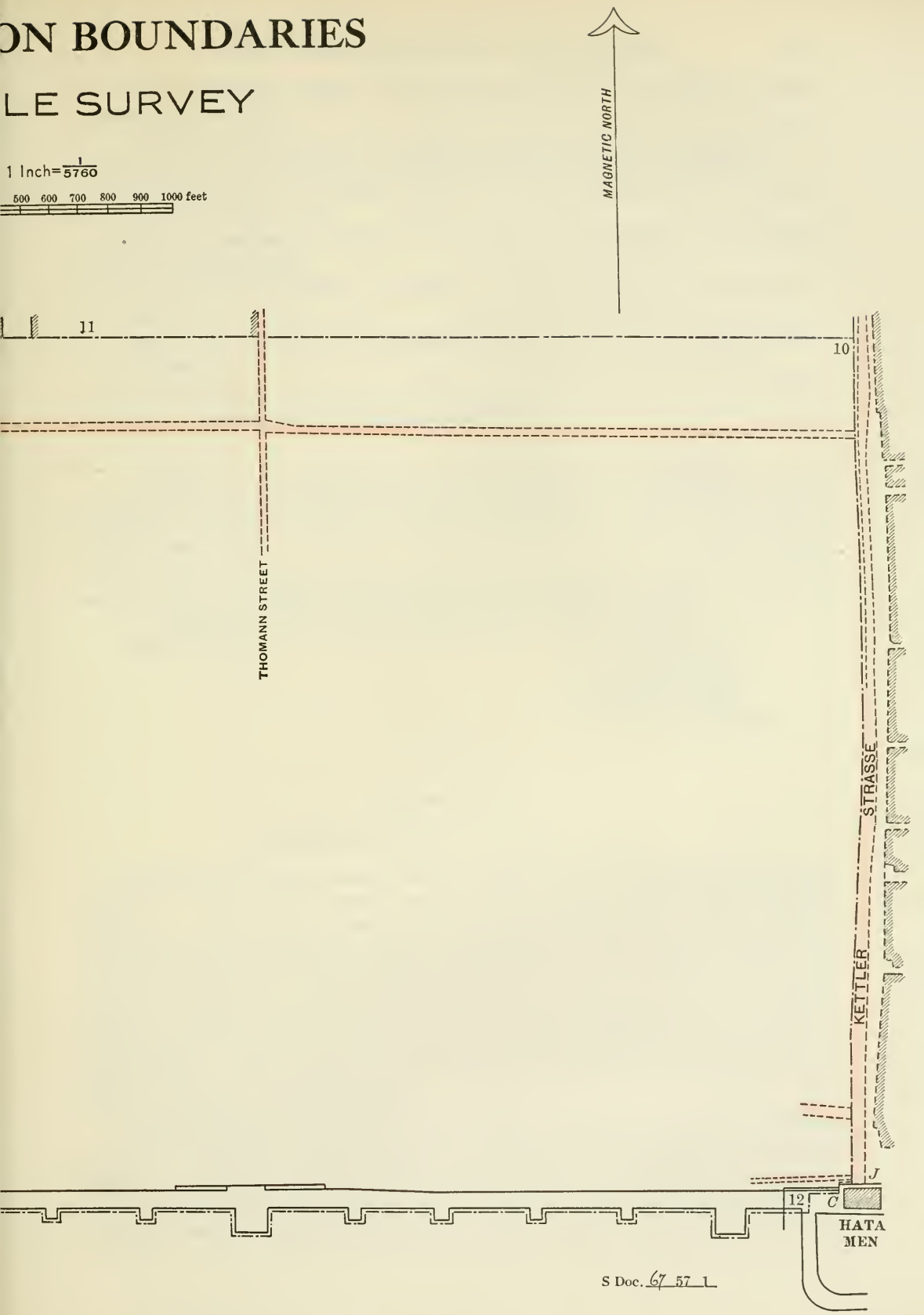


ON BOUNDARIES

LE SURVEY

1 Inch=$\frac{1}{5760}$

500 600 700 800 900 1000 feet



S Doc. 67 57 L

From there the boundary runs direct due east for a distance of three thousand and ten feet to

Point 10, on the west side of Ketteler Strasse and at three hundred feet from the angle of intersection of Ketteler Strasse and the Viale Italia.

From this point the boundary runs nearly due south along the west side of Ketteler Strasse to

Point 11, northwest corner of the archway of the Hatamen, on the south wall of the Tartar City.

From there the boundary runs along the wall and includes the west ramp of the Hatamen to

Point 12, on the wall at one hundred feet to the west of the superstructure of the Hatamen.

From POINT 12, the boundary follows the south side of the wall, as shown in the plan, including in it the bastions and joins *1.*

The points of the plan which have been fixed are the following:

A. Point at one hundred and seven feet from the superstructure of the Chien-Men, measured to the east along the north side of the crest of the wall of the Tartar City.

B. Point on the top of the north edge of the wall of the Tartar City, exactly above the middle of the canal for the drainage of water.

C. Northwest corner of the superstructure of the Hatamen.

Correct copy.

A. D'ANTHOUARD.
B. KROUPENSKY.
REGINALD TOWER.
G. BOHLEN-HALBACH.

ANNEX No. 15.

IMPERIAL EDICT of February 1, 1901.

In all the provinces bandits called for followers and established antiforeign societies. Various edicts were issued formally forbidding this. We repeated this many times, but, nevertheless, in late years there have been in all the Shantung districts sects under the name of Ta-tao-huei (Great Knives Society) and I-ho-chuan (Boxers), which spread everywhere, with the object of willful murder and theft. Little by little they reached the Chi-li territory and suddenly entered the capital, where they set fire to the foreign establishments and attacked the Legations. Crimes were also committed against neighboring countries and offenses against the general interest. For not having assured protection we have incurred heavy responsibilities.

You people who in ordinary times nourish yourselves and live from the products of this land, and who have all been loaded with the Empire's favors —you have, however, dared to incite these bandits with the desire to fight, to teach methods for casting spells, and to devote themselves to false practices. You have rashly resisted your officials, whom you have massacred; you have

assassinated foreigners, and then you have been the cause of unprecedented calamities, which above all else have plunged your Sovereign and your fathers in grief.

We can not think of what has been done without feeling a still deeper resentment. We have already formally ordered the Commanders in chief of all the regions to use their most strenuous efforts to destroy these societies. It is incumbent that the root of the evil be suppressed, and the Princes and Ministers who have lent their support to the Boxers shall suffer the heaviest penalties according to their crimes, and in order to inspire fear, all civil and military examinations shall be suspended during five years in all cities where foreigners were massacred or suffered cruel treatment.

Fearing lest the ignorant rural populations may not hear (of these punishments), new and severe prohibitions shall be specially made in order to avoid the execution of people who have not been notified.

You, soldiers and people, should know that it is formally forbidden by law to organize or belong to secret societies. Our ancestors have never shown the slightest indulgence in the repression of societies of malefactors.

Moreover, the foreign Powers are all friendly countries, the Christians are children of our blood whom the Court regards with a same kindness, and It could not allow different sentiments to be displayed towards them. All Chinese, whether Christians or not, who may be illtreated, should complain to the authorities and wait until a fair and equitable judgment is rendered. How can you lightly believe all the rumors which have been spread? How can you disregard the penal laws?

Then, when all is lost, the clever ones save themselves by flight and the innocent are put to death. The law is slow to pardon, and all that has happened is really very regrettable. From the publication of this present edict, each one must reform and repent him of the teaching he has received.

If hardened and incorrigible malefactors should again secretly organize antiforeign societies, they shall be punished by death, as well as those belonging to these societies. They shall not be shown the slightest mercy.

The Tartar Generals, Governors-general, Governors, and High provincial Authorities whose duty it is to direct the population, should give explicit instructions to their subordinates to publish severe proclamations and to have the present edict printed on yellow paper, which shall be posted in all parts of the Empire. It is important that all families be notified, and urged to good conduct, and that all be informed that the will of the Court is that everyone should thoroughly understand that punishments will be meted out, in order to avoid the necessity of inflicting other punishments.

Let this edict be made known to all in the Empire.

Respect this!

Correct copy.

A. D'ANTHOUARD.
B. KROUPENSKY.
REGINALD TOWER.
G. BOHLEN-HALBACH.

Annex No. 16.

IMPERIAL EDICT of December 24, 1901 (Translation).

It has been stipulated in the treaties concluded between China and the Foreign Powers that the citizens of these Powers shall be allowed to penetrate into the interior.

The Court, in order to assure and maintain relations with other countries, has already published decrees ordering that most sincere efforts be made in the provinces to assure protection. Nevertheless, the local authorities having gradually grown lax (in the exercise of their duties), malefactors have caused trouble, and attacks have been directed against foreigners. Similar incidents have repeatedly occurred.

We realize that our ability was too limited to reform the ignorant people, and consequently we have made very grievous mistakes. In ordinary times, not one of the local officials has been able to make understood European affairs, and none have comprehended the importance of foreign relations. Consequently the conflagration spread everywhere, threatening the Empire, and, if they reflect, they will find they have cause for uneasiness.

Henceforth each one of you must strive to overcome his resentment and to lay aside his prejudices. You should know that the maintenance of friendly relations with foreign countries has in all times been a fundamental law. People coming to China from afar, whether as merchants to exchange their products, or as travelers to increase their scientific knowledge, or yet as missionaries to preach religion with the object of exhorting the people to do good, have crossed mountains and seas at the risk of great fatigue.

Since China passes for a civilized country, it should practice the duties of a host toward its guests. Moreover, the Chinese who have gone abroad in recent years number at least several hundreds of thousands. The safety of their persons and property depends upon the guaranty assured them by the Powers, who have given them their protection. How could we continue to treat their citizens differently?

We again command all the responsible High civil and military Authorities of all the provinces to order their subordinates to protect, in the most efficacious manner, the agents and nationals of the foreign Powers who may enter within their districts. In case daring malefactors should urge to illtreat and massacre foreigners, order must be restored immediately and the guilty parties arrested and punished without delay. No delay should occur. If, owing to indifference, or rather of voluntary tolerance, great calamities take place, or if treaties should be violated and no immediate steps taken to make reparation or inflict punishment, the Governors-general, Governors, and the provincial or local Officials responsible will be removed and shall not be reappointed to other offices in other provinces, or hope to be reinstated or receive any further honors.

The present decree must be printed and published to warn the officials and put an end to all shameful customs.

Respect this!

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 17.

*Regulations for the improvement of the course of the Whangpu.**

I. A River Conservancy Board is established at Shanghai for the Whangpu river.

II. The Board shall have the twofold duty of acting as agent for the straightening and improvement of the river, and as controlling agent.

III. The jurisdiction of the Board shall extend from a line drawn from the lower limit of the Kiang-nan Arsenal towards the mouth of Arsenal Creek, to the red buoy in the Yangtze.

IV. The Board shall consist of: (*a*) The Taotai; (*b*) the Commissioner of Customs; (*c*) two members elected by the Consular Body; (*d*) two members of the General Chamber of Commerce of Shanghai, elected by the committee of the said Chamber; (*e*) two members representing shipping interests, elected by shipping companies, commercial firms, and the merchants the total of whose entrances and clearances at Shanghai, Woosung, and other ports on the Whangpu exceeds 50,000 tons per annum; (*f*) a member of the municipal Council of the International Settlement; (*g*) a member of the municipal Council of the French Concession, and (*h*) a representative of each country the total tonnage of whose ships entering and clearing at Shanghai and any other port of the Whangpu exceeds two hundred thousand tons a year.

V. The *ex officio* members shall hold office as long as they fill the position by virtue of which they sit on the Board.

VI. The representatives of the muncipal Councils and of the Chamber of Commerce shall be elected for a period of one year. They may be immediately reelected.

The term of office of the members to be designated by the Governments (provided under paragraph *h*) shall also be one year.

The term of the other members is for three years. They may be immediately reelected.

VII. In case of a vacancy during a term, the successor of the out-going member shall be designated for one year or for three years, according to the class to which he belongs.

VIII. The Board shall elect its Chairman and Vice-Chairman from

* These Regulations have been replaced by the Huangpu Conservancy Agreement of September 27, 1905 (No. 1905/10, *post*).

amongst its members for a term of one year. If there is no majority at the election of Chairman, the Senior Consul shall be requested to give a casting vote.

IX. In case of the absence of the Chairman the Vice-Chairman shall take his place. If both of them are absent the members shall choose amongst themselves a President for the occasion.

X. In all meetings of the Board, if votes are equally divided, the Chairman shall have a casting vote.

XI. Four members form a quorum.

XII. The Board shall appoint the officials and employees deemed necessary for carrying out the works and enforcing its regulations; it shall fix their salaries, wages, and gratuities, and shall pay them out of the funds placed at its disposal, and it may make regulations and take every measure necessary concerning its staff, which it can dismiss at pleasure.

XIII. The Board shall decide on the necessary steps for the regulation of traffic, including the placing of moorings in the river and the berthing of vessels within the limits indicated in Article III, and on all water courses (such as the Soochow Creek and others) passing through the French Concession or the International Settlement at Shanghai and the foreign quarter at Woosung, as well as on all the other creeks emptying into the river, for a distance of 2 English miles above their mouths.

XIV. The Board shall have power to expropriate the private moorings and to establish a system of public moorings in the river.

XV. The authorization of the Board shall be necessary to carry out any dredging, to build bunds, to construct jetties, or to place pontoons and hulks in the section of the river mentioned in Article XIII. The Board may, at its discretion, refuse such authorization.

XVI. The Board shall have full power to remove all obstacles in the river, or the above-mentioned creeks, and to recover, if necessary, the cost of so doing from those responsible.

XVII. The Board shall have control of all floating lights, buoys, beacons, landmarks, and light signals within the section of the river and within the creeks mentioned in Article XIII, as well as over such marks on the shore as may be necessary for the safe navigation of the river, with the exception of light-houses, which shall remain subject to Article XXXII of the treaty of 1858 between Great Britain and China.

XVIII. The improvement and conservancy works of the Whangpu shall be entirely under the the technical control of the Board, even should the carrying out of them necessitate works beyond the limits of its jurisdiction. In this case the necessary orders will be transmitted by and the work will be done with the consent of the Chinese authorities.

XIX. The Board shall receive and disburse all the funds collected for the works and take, in conjunction with the competent authorities, all proper and efficacious measures to ensure the collection of the taxes and the enforcement of the regulations.

XX. The Board shall appoint the Harbour Master and his staff. This

department shall act, within the limits of the powers assigned to the board, in the section of the river indicated in Article XIII.

XXI. The Board shall have authority to organize a police and watch service to ensure the execution of its regulations and orders.

XXII. The Board shall have the direction and control of the Shanghai (Lower Yangtze) pilot service. Licenses for pilots for ships bound for Shanghai shall only be issued by the Board and at its discretion.

XXIII. In case of infractions of its regulations, the Board shall sue offenders in the following way: Foreigners, before their respective consuls or competent judicial authority; Chinese or foreigners whose Governments are not represented in China, in the mixed Court, in the presence of a foreign assessor.

XXIV. All suits against the Board shall be brought before the Court of Consuls at Shanghai. The Board shall be represented in suits by its secretary.

XXV. Members of the Board and persons employed by it shall not incur any personal responsibility for the votes and acts of the Board, for contracts made or expenses incurred by the said body, when the said votes, acts, contracts, and expenses concern the carrying out or the enforcement, under the authority or by order of the Board or of one of its branches, of the regulations enacted by said body.

XXVI. Besides the provisions mentioned in Article XIII of the present annex, the Board shall have power to enact, within the limits of its competency, all necessary ordinances and regulations, and to fix fines for the violation thereof.

XXVII. The ordinances and regulations mentioned in Article XXVI shall be submitted for the approbation of the Consular Body. If two months after presenting the draft of the proposed ordinances and regulations the Consular Body has made no objection or suggested no modification, it shall be considered as approved and shall come into force.

XXVIII. The Board shall have power to acquire by purchase the lands necessary for carrying out the works of improvement and conservancy of the Whangpu and to dispose of them.

If, for this purpose, it shall be deemed necessary to expropriate land, the rules laid down in Article VI (*a*) of "The Land Regulations for the Foreign Settlement of Shanghai North of the Yang-king-pang" shall be followed. The price shall be fixed by a Committee consisting of, first, a person chosen by the authority to whose jurisdiction the owner is subject; second, one chosen by the Board, and, third, one chosen by the Dean of the Consular Corps.

XXIX. Riparian owners shall have the refusal of all land made in front of their properties by the reclamation carried out for the improvement of the waterways in question. The purchase price of these lands shall be fixed by a Committee composed in the same manner as provided for in Article XXVIII.

XXX. The revenues of the Board are to be derived from—

(*a*) An annual tax of one-tenth of 1 per cent (0.1 per cent) on the assessed value of all lands and houses in the French Concession and the International Settlement.

(*b*) A tax of equal amount on all property with water frontage on the Whangpu, from a line drawn from the lower limit of the Kiang-nan Arsenal toward the mouth of Arsenal Creek to the place where the Whangpu empties into the Yangtze. The assessed value of this property shall be fixed by the Committee mentioned in Article XXVIII.

(*c*) A tax of five candereens per ton on all ships of non-Chinese type and of a tonnage superior to 150 tons entering or leaving the port of Shanghai, Woosung, or any other port on the Whangpu.

Ships of non-Chinese type of 150 tons and under shall pay a quarter of the above-mentioned tax. These taxes shall only be leviable on each ship once every four months, irrespective of the number of its entrances and clearances.

Foreign-built ships navigating the Yangtze and only stopping at Woosung to take their river papers shall be exempted from the taxes above mentioned, on condition that on their way up or down they shall not carry on any commercial transactions at Woosung. They shall, however, be allowed to take on water and supplies at Woosung.

(*d*) A tax of one-tenth of 1 per centum (0.1 per cent) on all merchandise passing through the customs at Shanghai, Woosung, or any other port on the Whangpu.

(*e*) An annual contribution from the Chinese Government equal to that supplied by the various foreign interests.

XXXI. The collection of the taxes enumerated in Article XXX shall be made through the medium of the following authorities:

Tax *a*, by the respective Municipalities.

Tax *b*, to be collected from persons under the jurisdiction of Governments represented in China by their respective Consuls; the taxes to be collected from Chinese or from persons whose Governments are not represented in China by the Taotai.

Taxes *c* and *d*, by the Imperial Maritime Customs.

XXXII. Should the total annual revenues of the Board not be sufficient for the payment of interests and the amortization of the capital to be borrowed for carrying out the works, for keeping up the completed works, and for the service in general, the Board shall have the power to increase in the same proportion the various taxes on shipping, on land and houses, and on trade, to a figure sufficient to supply its recognized needs. This eventual increase would apply in the same proportion to the contribution of the Chinese Government mentioned in paragraph *e* of Article XXX.

XXXIII. The Board shall give notice to the Superintendent of Southern Trade and to the Consular Body of the necessity for the increase referred to in Article XXXII. Such increase shall only come into force after its approval by the Consular Body at Shanghai.

XXXIV. The Board shall submit to the Superintendent of Southern Trade and to the Consular Body at Shanghai, within six months after the closing of each financial year, its annual accounts, accompanied by a detailed report on the general management and the receipts and expenditures during the preceding twelve months. This report shall be published.

XXXV. If the exact and published accounts of receipts and expenditures show a balance of receipts over expenses, the taxes mentioned in Article XXX shall be proportionately reduced by the Board and the Consular Body at Shanghai acting conjointly. The eventual reduction shall apply in the same proportion to the contribution of the Chinese Government referred to in paragraph *e* of Article XXX.

XXXVI. At the expiration of the first term of three years the signatories shall examine conjointly whether the provisions contained in the present annex require revision. A new revision can take place every three years under the same conditions.

XXXVII. The regulations of the Board within the limits provided for in Article XIII, and subject to the approbation of the Consular Body at Shanghai, shall be binding on all foreigners.

Done at Peking September 7th, 1901.

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 18.

IMPERIAL EDICT of the 24th July, 1901 (Translation).

The 9th day of the 6th moon the Grand Chancellery received the following Edict:

"The creation of offices and the determination of their duties has until now been regulated by the requirements of the times. Now, at the present time, when a new treaty of peace is concluded, international affairs take the first place among important business, and it is more than ever necessary to have recourse to competent men to devote themselves to all that relates to establishing friendly relations and confidence in speech.

"The Office of Foreign Affairs, formerly created to treat international questions, has been in existence, it is true, for years, but, in view of the Princes and Ministers composing it only discharging for the most part their functions accessorily with others, they could not devote themselves to them exclusively. It is naturally, therefore, proper to create special functions, so that each one may have his particular attributions.

"We command, in consequence, that the Office of Foreign Affairs (Tsung-li-ko kuo shih-wu ya-men) be changed into a Ministry of Foreign Affairs (Wai-wu Pu) and take rank before the six Ministries. And we designate Yi-K'uang, Prince Ch'ing of the first rank, as President of the Ministry of Foreign Affairs.

"Wang Wen-shao, Grand Secretary of State of the Ti-jen Ko, is appointed Assistant-President of the Ministry of Foreign Affairs. Ch'ü Hung-chi, President of the Board of Works, is transferred with the same rank to the Ministry of Foreign Affairs, in which he is appointed Assistant-

President. Hsü Shou-p'eng, Director of the Imperial Stud, and Lien-fang, Expectant Metropolitan Subdirector of the third or fourth rank, are appointed first and second Directors (or Assistant Secretaries).

"As regards the fixing of the personnel, the rules to be followed in its choice, the salaries to be given the Ministers, Directors, and other Agents, We command the Councilors of State to come to an agreement with the Board of Civil Office and to promptly submit to Us their conclusions in a report.

"Respect this."

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Annex No. 19.

MEMORANDUM on the ceremonial to be followed in solemn audiences.

1°. Solemn audiences to be given by His Majesty the Emperor of China to the Diplomatic Body or to Representatives of the Powers separately shall take place in the palace hall called "Ch'ien-ch'ing Kung."

2°. In going to or coming back from these solemn audiences the Representatives of the Powers shall be carried in their sedan chairs as far as outside of the Ching-yun gate. At the Ching-yun gate they will get out of the sedan chair in which they have come and will be carried in a little chair (i chiao) as far as the foot of the steps of the Ch'ien-ch'ing gate.

On arriving at the Ch'ien-ch'ing gate the Representatives of the Powers shall get out of their chairs, and shall proceed on foot into the presence of His Majesty in the Ch'ien-ch'ing Kung hall.

When departing the Representatives of the Powers shall return to their residences in the same manner as that in which they arrived.

3°. When a Representative of a Power shall have occasion to present to His Majesty the Emperor his letters of credence or a communication from the Head of the State by whom he is accredited, the Emperor shall cause to be sent to the residence of said Representative, to bear him to the Palace, a sedan chair with yellow trimmings and tassels, such as are used by the Princes of the Imperial family. The said Representative shall be taken back to his residence in the same manner. An escort of troops shall likewise be sent to the residence of said Representative to accompany him going and returning.

4°. When presenting his letters of credence or communication from the Head of the State by whom he is accredited, the Diplomatic Agent, while bearing said letters or communications, shall pass by the central openings of the Palace doors until he has arrived in the presence of His Majesty. On returning from these audiences he will comply, as regards the doors by which he may have to pass, with the usages already established at the Court of Peking for audiences given to Foreign Representatives.

5°. The Emperor shall receive directly into his hands the letters and com-

munications above mentioned which the Foreign Representatives may have to hand to him.

6°. If His Majesty should decide upon inviting to a banquet the Representatives of the Powers it is well understood that this banquet shall be given in one of the halls of the Imperial Palace and that His Majesty shall be present in person.

7°. In brief, the ceremonial adopted by China as regards Foreign Representatives shall, in no case, be different from that which results from perfect equality between the Countries concerned and China, and without any loss of prestige on one side or the other.

Correct copy.

A. d'Anthouard.
B. Kroupensky.
Reginald Tower.
G. Bohlen-Halbach.

Note 1.

In connection with this Protocol, see Russo-Chinese Convention in regard to Manchuria, April 8, 1902 (No. 1902/3) and Anglo-Chinese Agreement for the restoration of the Peking-Shanhaikuan Railway, April 29, 1902 (No. 1902/4, *post*). Consult also *For. Rel. of the U. S.*, 1900, and 1901 (Appendix); Moore's *Digest of International Law,* vol. 5, pp. 476-534; *China, Nos. 3 and 4 (1900)* and *Nos. 1 to 7 (1901)*.

During the so-called Boxer disturbances, Secretary Hay defined the attitude of the American Government in the following telegraphic circular to American diplomatic representatives for communication to the Governments concerned, under date of July 3, 1900:

Secretary Hay's Circular concerning the Boxer Crisis.—July 3, 1900.

"Department of State,
"Washington, *July 3, 1900.*

"In this critical posture of affairs in China it is deemed appropriate to define the attitude of the United States as far as present circumstances permit this to be done. We adhere to the policy initiated by us in 1857 of peace with the Chinese nation, of furtherance of lawful commerce, and of protection of lives and property of our citizens by all means guaranteed under extraterritorial treaty rights and by the law of nations. If wrong be done to our citizens we propose to hold the responsible authors to the uttermost accountability. We regard the condition at Peking as one of virtual anarchy, whereby power and responsibility are practically devolved upon the local provincial authorities. So long as they are not in overt collusion with rebellion and use their power to protect foreign life and property, we regard them as representing the Chinese people, with whom we seek to remain in peace and friendship. The purpose of the President is, as it has been heretofore, to act concurrently with the other Powers; first, in opening up communication with Peking and rescuing the American officials, missionaries, and other Americans who are in danger; secondly, in affording all possible protection everywhere in China to American life and property; thirdly, in guarding and protecting all legitimate American interests; and fourthly, in aiding to prevent a spread of the disorders to the other provinces of the Empire and a recurrence of such disasters. It is of course too early to forecast the means of attaining this last result; but the policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly Powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire.

"You will communicate the purport of this instruction to the Minister for Foreign Affairs. "Hay."

(*For. Rel. of the U. S.*, 1901, Appendix *re* "Affairs in China," p. 12.) For the replies of the several Powers thus addressed, see Moore's *Digest of International Law,* vol. 5, p. 482, or *Am. Journal of Int. Law, Supplement,* 1907, p. 386.

Note 2.

The following are translations (as printed in *Rockhill,* 63-66) of the Joint Note referred to in the preamble to the Protocol (p. 279), and of the reply thereto:

Joint Note regarding Conditions for Re-establishment of normal relations between China and the Powers.—December 22, 1900, and January 16, 1901.

"(1) Joint note signed by the diplomatic representatives at Peking of Germany, Austria-Hungary, Belgium, Spain, the United States, France, Great Britain, Italy, Japan, the Netherlands, and Russia, embodying conditions for reestablishment of normal relations with China: Signed at Peking December 22, 1900; handed to the Chinese Plenipotentiaries, Yi K'uang (Prince Ch'ing) and Li Hung-chang, on December 24, 1900.

"[Translation from French.]

"During the months of May, June, July, and August of the present year serious disturbances broke out in the northern provinces of China and crimes unprecedented in human history—crimes against the law of nations, against the laws of humanity, and against civilization—were committed under peculiarly odious circumstances. The principal of these crimes were the following:

"1. On the 20th of June His Excellency Baron von Ketteler, German Minister, proceeding to the Tsungli Yamen, was murdered while in the exercise of his official duties by soldiers of the regular army, acting under orders of their chiefs.

"2. The same day the foreign legations were attacked and besieged. These attacks continued without intermission until the 14th of August, on which date the arrival of foreign troops put an end to them. These attacks were made by regular troops, who joined the Boxers, and who obeyed orders of the Court, emanating from the Imperial Palace. At the same time the Chinese Government officially declared by its representatives abroad that it guaranteed the security of the legations.

"3. The 11th of June Mr. Sugiyama, Chancellor of the Legation of Japan, in the discharge of an official mission, was killed by regulars at the gates of the city. At Peking and in several provinces foreigners were murdered, tortured, or attacked by Boxers and regular troops, and only owed their safety to their determined resistance. Their establishments were pillaged and destroyed.

"4. Foreign cemeteries, at Peking, especially, were desecrated, the graves opened, the remains scattered abroad. These events led the foreign Powers to send their troops to China in order to protect the lives of their Representatives and their nationals, and to restore order. During their march to Peking the Allied Forces met with the resistance of the Chinese armies and had to overcome it by force. China having recognized her responsibility, expressed her regrets, and manifested the desire to see an end put to the situation created by the disturbances referred to, the Powers have decided to accede to her request on the irrevocable conditions enumerated below, which they deem indispensable to expiate the crimes committed and to prevent their recurrence:

"1. (*a*) Dispatch to Berlin of an extraordinary mission, headed by an Imperial Prince, to express the regrets of His Majesty the Emperor of China, and of the Chinese Government, for the murder of His Excellency the late Baron von Ketteler, German Minister.

"(*b*) Erection on the place where the murder was committed of a commemorative monument suitable to the rank of the deceased, bearing an inscription in the Latin, German, and Chinese languages, expressing the regrets of the Emperor of China for the murder.

"2. (*a*) The severest punishment in proportion to their crimes for the persons designated in the Imperial decree of September 25, 1900, and for those whom the Representatives of the Powers shall subsequently designate.

"(*b*) Suspension of all official examinations for five years in all the towns where foreigners have been massacred, or have been subjected to cruel treatment.

"3. Honorable reparation shall be made by the Chinese Government to the Japanese Government for the murder of Mr. Sugiyama, Chancellor of the Japanese Legation.

"4. An expiatory monument shall be erected by the Imperial Chinese Government in each of the foreign or international cemeteries which have been desecrated and in which the graves have been destroyed.

"5. Maintenance, under conditions to be settled between the Powers, of the prohibition of the importation of arms as well as of material used exclusively for the manufacturing of arms and ammunition.

"6. Equitable indemnities for governments, societies, companies, and private individuals, as well as for Chinese who have suffered during the late events in person or in property in consequence of their being in the service of foreigners. China shall adopt financial measures acceptable to the Powers for the purpose of guaranteeing the payment of said indemnities and the interest and amortization of the loans.

"7. Right for each Power to maintain a permanent guard for its legation and to

put the legation quarter in a defensible condition. Chinese shall not have the right to reside in this quarter.

"8. The Taku and other forts, which might impede free communication between Peking and the sea, shall be razed.

"9. Right of military occupation of certain points, to be determined by an understanding between the Powers, for keeping open communication between the capital and the sea.

"10. (*a*) The Chinese Government shall cause to be published during two years in all subprefectures an Imperial decree embodying:

"Perpetual prohibition, under pain of death, of membership in any antiforeign society;

"Enumeration of the punishments which shall have been inflicted on the guilty, together with the suspension of all official examinations in the towns where foreigners have been murdered or have been subjected to cruel treatment.

"(*b*) An Imperial decree shall be issued and published everywhere in the Empire declaring that all Governors-General, Governors, and Provincial or local officials shall be responsible for order in their respective jurisdictions, and that whenever fresh antiforeign disturbances or any other treaty infractions occur, which are not forthwith suppressed and the guilty persons punished, they, the said officials, shall be immediately removed and forever prohibited from holding any office or honors.

"11. The Chinese Government will undertake to negotiate the amendments to the treaties of commerce and navigation considered useful by the Powers, and upon other subjects connected with commercial relations, with the object of facilitating them.

"12. The Chinese Government shall undertake to reform the Office of Foreign Affairs and to modify the court ceremonial relative to the reception of foreign Representatives in the manner which the Powers shall indicate.

"Until the Chinese Government have complied with the above to the satisfaction of the Powers, the Undersigned can hold out no expectation that the occupation of Peking and the province of Chihli by the general forces can be brought to a conclusion.

"Peking, December 22, 1900.

"For Germany,	A. MUMM.
"For Austria-Hungary,	M. CZIKANN.
"For Belgium,	JOOSTENS.
"For Spain,	B. J. DE COLOGAN.
"For United States of America,	E. H. CONGER.
"For France,	S. PICHON.
"For Great Britain,	ERNEST SATOW.
"For Italy,	SALVAGO RAGGI.
"For Japan,	T. NISSI.
"For Netherlands,	F. M. KNOBEL.
"For Russia,	MICHEL DE GIERS."

"(2) Reply of the Chinese Plenipotentiaries to the joint note of December 22, 1900; Peking, January 16, 1901.

"[Translation.]

"Under date of December 24, 1900, the Plenipotentiaries of Germany, Austria-Hungary, Belgium, Spain, the United States, France, Great Britain, Italy, Japan, the Netherlands, and Russia, have sent Us the following Note:

"[The Joint Note is here quoted textually and in its entirety]:

"We hastened to transmit the full text of this note to His Majesty the Emperor who, having taken cognizance of it, rendered the following decree:

"'We have taken cognizance of the whole of the telegram of Yi K'uang and Li Hung-chang. It behooves Us to accept, in their entirety, the twelve articles which they have submitted to Us.'

"Consequently, we, Ch'ing, Prince of the first rank, Plenipotentiary, President of the Council of Foreign Affairs, and Li, Earl of the first rank, Su-yi, Plenipotentiary, Tutor to the Heir Apparent, Grand Secretary of the Wen-hua tien Throne Hall, Minister of Commerce, Superintendent of trade for the northern ports, Governor General of Chih-li,

"Declare that we accept in their entirety the twelve articles which we have been requested to insure the transmission of to His Majesty the Emperor.

"In witness of which we have signed the present protocol and we transmit to the foreign Plenipotentiaries a copy of the Edict of His Majesty the Emperor, bearing the Imperial Seal.

"It is understood that in case of disagreement, the French text shall be authoritative.

"PEKING, *16 January, 1901.* (*Signed*) "YI K'UANG
(Prince Ch'ing).

[L. S.] "LI."

Note 3.

The apportionment of this indemnity among the several Powers was fixed by a protocol of June 14, 1902, of which the translation (from the French text as printed in *Négotiations de Pékin, 1900-1902: IIme Partie,* p. *LVII*) is as follows:

Protocol regarding Apportionment of the Boxer Indemnity.—June 14, 1902.

"The representatives of the Foreign Powers signatory to the Final Protocol, assembled at a meeting on June 14, 1902, have declared that they accept, each in so far as concerns his own Government, the division of the indemnity of 450,000,000 taels in accordance with the following list:

	"Percentage		Amount in Taels	
"Germany	20.01567		90,070,515	
"Austria-Hungary	.88976		4,003,920	
"Belgium	1.88541		8,484,345	
"Spain	.03007		135,315	
"United States	7.31979		32,939,055	
"France	15.75072		70,878,240	
"Great Britain	11.24901	11.26951	50,620,545	50,712,795
"Portugal	.02050		92,250	
"Italy	5.91489		26,617,005	
"Japan	7.73180		34 793,100	
"The Netherlands	.17380		782,100	
"Russia	28.97136		130,371,120	
"International Claims	.03326	.04722	149,670	212,490
"Sweden and Norway	.01396		62,820	
Grand Total	100.00000		450,000,000	

"(*Sgd.*) Peking, June 14, 1902.

"For	Germany	A. v. Mumm.
	Austria-Hungary	M. Czikann.
	Belgium	E. de Cartier.
	Spain	Manuel de Carcer.
	United States	E. H. Conger.
	France	Beau.
	Great Britain	Ernest Satow.
	Italy	G. Gallina.
	Japan	Y. Uchida.
	Netherlands	J. Loudon.
	Russia	P. Lessar."

As, upon final adjudication by the American authorities, it was found that the claims in behalf of American nationals totaled less than the amount of the indemnity apportioned to the United States, a Joint Resolution (Public Resolution No. 29) to provide for the remission of a portion of the Chinese indemnity was passed by the Congress of the United States, and approved by the President on May 25, 1908, in the following terms:

Joint Resolution providing for Remission of a Portion of American Share of Boxer Indemnity.—May 25, 1908.

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is hereby authorized to consent to a modification of the bond for twenty-four million four hundred and forty thousand seven hundred and seventy-eight dollars and eighty-one cents, dated December fifteenth, nineteen hundred and six, received from China pursuant to the protocol of September seventh, nineteen hundred and one, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year nineteen hundred, so that the total payment to be made by China under the said bond shall be limited to the sum of thirteen million six hundred and fifty-five thousand four hundred and ninety-two dollars and sixty-nine cents and interest at the stipulated rate of four per centum per annum, and that the remainder of the indemnity to which the United States is entitled under the said protocol and bond may be remitted as an act of friendship, such payments and remission to be at such times and in such manner as the President shall deem just: *Provided,* That within one year from the passage of this resolution any person whose claim upon the Chinese indemnity, nineteen hundred, was presented to the United States

commissioners or to the Department of State and disallowed in whole or in part may present the same by petition to the Court of Claims, which court is hereby invested with jurisdiction to hear and adjudicate such claim, without appeal, and to render such judgments de novo, or in addition to any allowance or allowances heretofore made, as, in each case shall be fully and substantially compensatory for actual losses and expenses of the claimant caused by the antiforeign disturbances in China during the year nineteen hundred, excluding merely speculative claims or elements of damage: *And provided also,* That the sum of two million dollars be reserved from the Chinese indemnity, nineteen hundred, for the payment of such judgments, the same to be paid by the Treasurer of the United States as and when they shall be certified to the Secretary of the Treasury by the said court, and any balance remaining after all such claims have been adjudicated and paid shall be returned to the Chinese Government in such manner as the Secretary of State shall decide, and the Secretary of the Treasury is hereby authorized and directed to so return the same: *And provided further,* That all evidence furnished by the claimants, and statements made by them to the said commissioners or to the Department of State, shall be transmitted by the said Department to the said Court of Claims and considered together with such other additional testimony as may be presented by either side, and the Government of the United States shall defend the said claims in the said court by such attorney or attorneys as may be designated for such service by the Attorney-General of the United States: *Provided further,* That in no case shall the Court of Claims award a principal sum to any claimant which, together with the principal sums said claimant may have already received by decision of the United States commissioners and the Department of State, shall exceed the amount originally claimed by said claimant.

"Approved, May 25, 1908."

(*For. Rel. of the U. S.,* 1908, p. 65.)

In pursuance of this Resolution, the President on December 28th, 1908, issued the following Executive Order:

Executive Order in regard to Remission of a Portion of American Share of Boxer Indemnity.—December 28, 1908.

"Pursuant to the authority of the joint resolution of Congress to provide for the remission of a portion of the Chinese indemnity, approved May 25, 1908, I hereby consent to a modification of the bond for $24,440,778.81, dated December 15, 1906, received from China pursuant to the protocol of September 7, 1901, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year 1900, so that the total payment to be made by China under the said bond shall be limited to the sum of $13,655,492.69 and interest at the stipulated rate of 4 per cent per annum, and that the remainder of the indemnity to which the United States is entitled under the said protocol and bond be remitted as an act of friendship, such payment and remission to be made at the time and in the manner hereinafter provided, which I deem to be just, that is to say:

"In accordance with the plan of amortization annexed to the original indemnity bond, the amounts payable hereafter by China to the United States would be as set forth in the schedule annexed hereto marked 'Schedule A,' and identified by the signature of the Secretary of State.

"I have caused an account to be made by the Treasury Department in which the payments already made under the original bond are credited as against a debt of $13,655,492.69 with interest at 4 per cent per annum beginning July 1, 1901, in lieu of the original sum specified in the bond and I find that after such credits, and including in such credits the sum of $85,223.04, which it is assumed will be paid on the 1st day of January, 1909, there will remain on that day to be paid and retained by the United States in satisfaction of the sum of $13,655,492.69 and interest thereon, the sum of $9,644,367.60.

"It also appears by the said new account that the payment to and retention by the United States of the sums specified in the paper hereto attached, marked 'Schedule B' and identified by the signature of the Secretary of State, will satisfy the principal and interest of the said sum of $9,644,367.60 by the end of the period contemplated in the original plan of amortization. And I direct that after the said 1st day of January, 1909, from the several payments made under the said bond of December 15, 1906, in accordance with Schedule A, there be retained and paid into the Treasury of the United States only the sums specified in Schedule B; and that the remainder of the said several payments so made by China in accordance with Schedule A over and above the sums specified by Schedule B be returned by indorsing back the drafts therefor, or otherwise, and thus remitted to the Government of China. The sums to be so returned in each year will be as stated in the paper hereto attached marked 'Schedule C,' identified by the signature of the Secretary of State.

"The provision contained in the original bond for an adjustment of interest because payments are made monthly instead of semiannually will continue to be applicable to the payments of the sums specified in Schedule B.

"In witness whereof, I have caused the seal of the United States to be hereunto affixed.

"Done at Washington, this twenty-eighth day of December, one thousand nine hundred and eight.

[SEAL] "THEODORE ROOSEVELT.

"By the President:

"ELIHU ROOT,

"Secretary of State."

"SCHEDULE A

Years.	Amount due yearly, payable half yearly.	Monthly installments.	Years.	Amount due yearly, payable half yearly.	Monthly installments.
1909	$1,022,683.66	$85,223.64	1926	$1,329,784.76	$110,815.40
1910	1,022,683.66	85,223.64	1927	1,329,784.75	110,815.40
1911	1,080,787.54	90,065.63	1928	1,329,784.76	110,815.40
1912	1,080,787.54	90,065.63	1929	1,329,784.75	110,815.40
1913	1,080,787.53	90,065.63	1930	1,329,784.76	110,815.40
1914	1,080,787.53	90,065.63	1931	1,329,784.75	110,815.40
1915	1,264,582.18	105,381.85	1932	1,919,967.11	159,997.26
1916	1,329,784.76	110,815.40	1933	1,919,967.10	159,997.26
1917	1,329,784.76	110,815.40	1934	1,919,967.10	159,997.26
1918	1,329,784.76	110,815.40	1935	1,919,967.11	159,997.26
1919	1,329,784.75	110,815.40	1936	1,919,967.09	159,997.26
1920	1,329,784.76	110,815.40	1937	1,919,967.09	159,997.26
1921	1,329,784.75	110,815.40	1938	1,919,967.11	159,997.26
1922	1,329,784.75	110,815.40	1939	1,919,967.10	159,997.26
1923	1,329,784.75	110,815.40	1940	1,923,374.12	160,281.18
1924	1,329,784.76	110,815.40	Deficit	3,407.02	.....
1925	1,329,784.75	110,815.40			

"Schedule A referred to in the Executive order of the President, dated December 28, 1908.

"ELIHU ROOT.
"Secretary of State."

"SCHEDULE B.

Years.	Principal to be retained.	Interest to be retained.	Total payment to be retained.	Years.	Principal to be retained.	Interest to be retained.	Total payment to be retained.
1909	$153,814.06	$385,774.70	$539,588.76	1925	$288,090.85	$251,497.91	$539,588.76
1910	159,966.62	379,622.14	539,588.76	1926	299,614.49	239,974.27	539,588.76
1911	166,365.29	373,233.47	539,588.76	1927	311,599.07	227,989.69	539,588.76
1912	173,019.90	366,568.86	539,588.76	1928	324,063.03	215,525.73	539,588.76
1913	179,940.70	359,648.06	539,588.76	1929	337,025.56	202,563.20	539,588.76
1914	187,138.32	352,450.44	539,588.76	1930	350,506.57	189,082.19	539,588.76
1915	194,623.86	344,964.90	539,588.76	1931	364,526.84	175,061.92	539,588.76
1916	202,408.81	337,179.95	539,588.76	1932	379,107.92	160,480.84	539,588.76
1917	210,505.16	329,083.60	539,588.76	1933	394,272.22	145,316.54	539,588.76
1918	218,925.37	320,663.39	539,588.76	1934	410,043.11	129,545.65	539,588.76
1919	227,682.38	311,906.38	539,588.76	1935	426,444.84	113,143.92	539,588.76
1920	236,789.68	302,799.08	539,588.76	1936	443,502.64	96,086.12	539,588.76
1921	246,261.27	293,327.49	539,588.76	1937	461,242.74	78,346.02	539,588.76
1922	256,111.72	283,477.04	539,588.76	1938	479,692.45	59,896.31	539,588.76
1923	266,356.19	273,232.57	539,588.76	1939	498,880.14	40,708.62	539,588.76
1924	277,010.44	262,578.32	539,588.76	1940	518,835.36	20,753.40	539,588.76

"Schedule B referred to in the Executive order of the President, dated December 28, 1908.

"ELIHU ROOT,
"Secretary of State."

"SCHEDULE C.

Years.	Amount remitted yearly.	Years.	Amount remitted yearly.	Years.	Amount remitted yearly.
1909	$483,094.90	1920	$790,196.00	1931	$790,195.99
1910	483,094.90	1921	790,195.99	1932	1,380,378.35
1911	541,198.78	1922	790,195.99	1933	1,380,378.34
1912	541,198.78	1923	790,195.99	1934	1,380,378.34
1913	541,198.78	1924	790,196.00	1935	1,380,378.35
1914	541,198.78	1925	790,195.99	1936	1,380,378.43
1915	724,993.42	1926	790,196.00	1937	1,380,378.43
1916	790,196.00	1927	790,195.99	1938	1,380,378.35
1917	790,196.00	1928	790,196.00	1939	1,380,378.34
1918	790,196.00	1929	790,195.99	1940	1,380,378.36
1919	790,195.99	1930	790,196.00		

"Schedule C referred to in Executive order of the President dated December 28, 1908.

"ELIHU ROOT, *Secretary of State.*"

(*For. Rel. of the U. S.*, 1908, p. 72.)

Exchange of Notes regarding American share of Boxer Indemnity.

The note of the American Minister, communicating the purport of the Resolution to the Wai-wu Pu, under date of July 11, 1908, and the replies thereto, under date of July 14, 1908, are herewith quoted from *For. Rel. of the U. S.*, 1908, p. 67:

"*Minister Rockhill to the Prince of Ch'ing.*

"AMERICAN LEGATION,
"*Peking, July 11, 1908.*

"YOUR HIGHNESS: It is with great satisfaction that I have the honor to inform your highness, under direction of the Secretary of State of the United States, that a bill has passed the Congress of the United States authorizing the President to modify the indemnity bond given the United States by China under the provisions of Article VI of the final protocol of September 7, 1901, from $24,440,000 United States gold currency to $13,655,492.29, with interest at 4 per cent per annum. Of this amount $2,000,000 are held pending the result of hearings on private claims presented to the Court of Claims of the United States within one year. Any balance remaining after such adjudication is also to be returned to the Chinese Government in such manner as the Secretary of State shall decide.

"The President is further authorized under the bill to remit to China the remainder of the indemnity as an act of friendship, such payments and remissions to be made at such times and in such a manner as he may deem just.

"I am also directed by the Secretary of State to request the Imperial Government kindly to favor him with its views as to the time and manner of the remissions.

"Trusting that your imperial highness will favor me with an early reply to communicate to my Government, I avail, etc.

"W. W. ROCKHILL."

"*The Prince of Ch'ing to Minister Rockhill.*

"(Translation.)

"FOREIGN OFFICE,
"*Peking, July 14, 1908.*

"YOUR EXCELLENCY: I have the honor to acknowledge the receipt of your dispatch of July 11, informing me that you had been directed by the Secretary of State to notify me that a bill has passed the Congress of the United States authorizing the President to modify the indemnity bond given the United States by China under the provision of Article VI of the final protocol of September 7, 1901, from $24,440,000 United States gold currency, to $13,665,492.29, with interest at 4 per cent per annum. Of this amount $2,000,000 are held pending the result of hearings on private claims presented to the Court of Claims of the United States within one year. Any balance remaining after such adjudication is also to be returned to the Chinese Government in such manner as the Secretary of State shall decide. The President is further authorized under the bill to remit to China the remainder of the indemnity as an act of friendship, such payments to

be made at such times and in such a manner as he may deem just. As directed by the Secretary of State, your excellency requests the Imperial Government kindly to favor him with its views as to the time and manner of the remissions, and asks an early reply to communicate to your excellency's Government.

"On reading this dispatch I was profoundly impressed with the justice and great friendliness of the American Government, and wish to express our sincerest thanks.

"Concerning the time and manner of the return to China of the amounts to be remitted, the Imperial Government has no wishes to express in the matter. It relies implicitly on the friendly intentions of the United States Government, and is convinced that it will adopt such measures as are best calculated to attain the end it has in view.

"The Imperial Government, wishing to give expression to the high value it places on the friendship of the United States, finds in its present action a favorable opportunity for doing so. Mindful of the desire recently expressed by the President of the United States to promote the coming of Chinese students to the United States to take courses in the schools and higher educational institutions of the country, and convinced by the happy results of past experience of the great value to China of education in American schools, the Imperial Government has the honor to state that it is its intention to send henceforth yearly to the United States a considerable number of students there to receive their education. The board of foreign affairs will confer with the American minister in Peking concerning the elaboration of plans for the carrying out of the intention of the Imperial Government.

"A necessary dispatch.

"[Seal of the Wai Wu Pu.]"

"*The Foreign Office to Minister Rockhill.*

"(Translation.)

"FOREIGN OFFICE,
"*Peking, July 14, 1908.*

"Referring to the dispatch just sent to your excellency regarding sending students to America, it has now been determined that from the year when the return of the indemnity begins 100 students shall be sent to America every year for four years, so that 400 students may be in America by the fourth year. From the fifth year and throughout the period of the indemnity payments a minimum of 50 students will be sent each year.

"As the number of students will be very great there will be difficulty in making suitable arrangements for them. Therefore in the matter of choosing them, as well as in the matter of providing suitable homes for them in America and selecting the schools which they are to enter we hope to have your advice and assistance. The details of our scheme will have to be elaborated later, but we take this occasion to state the general features of our plan and ask you to inform the American Government of it. We sincerely hope that the American Government will render us assistance in the matter.

"Wishing you all prosperity,

"PRINCE OF CH'ING.
"NA T'UNG.
"YUAN SHIH-K'AI.
"LIEN FANG.
"LIANG TUN-YEN."

Note 4.

The administration of the Diplomatic Quarter thus reserved was provided for by the Diplomatic Body by a Protocol, under date of June 13, 1904, of which the translation (as communicated by the American Legation to the Department of State for approval) is as follows:

Protocol regarding Legation Quarter at Peking.—June 13, 1904.

"The undersigned representatives of the Powers signers of the Final Protocol of the 7th of September, 1901, in view of Article VII of the said Protocol, by which the Chinese Government has admitted that the quarter occupied by the Legations should be considered as a quarter specially reserved for their usage, placed under their exclusive police where Chinese would not have the right to live, and which might be put into a state of defense, and in view of the plan fixing the limits of this quarter in accordance with the Protocol, have agreed on what follows:

"1.—The possession of the land indicated by having their name inscribed on the map made for that purpose, and annexed to this Protocol, is conceded to each Legation, also to the Imperial Maritime Customs, to each foreign association, and to all private individuals.

"2.—All land included between the limits of the quarter and the defensive walls marked

on the map, land which is reserved as a glacis for the defense of the quarter, also the roads, sidewalks, gutters, bridges, drains, trees, and constructions of whatever nature, are conceded to belong to the Diplomat. Quarter as a common possession.

"3.—Are excepted, parcels of land situated on the glacis, which are conceded to have belonged to private individuals before the 20th of June, 1900, the date of the beginning of the siege of the Legations, which are also indicated on this map.

"These parcels remain the property of their former proprietors, or of those deriving their rights from them. To avoid all misunderstanding a list of such parcels is added, as follows:

"On the glacis, in front of the German Legation, the land belonging to the Russo-Chinese Bank, and the land in front of the German Legation which formerly belonged to Mr. Coltman.

"On the glacis in front of the Austro-Hungarian Legation, the land belonging to Mr. Splingaerd.

"4.—No construction, permanent or temporary, with the exception of those now existing, shall be made upon any part whatever of the glacis, without the unanimous consent of the Representatives of the Powers signers of the Final Protocol of the 7th of September, 1901.

"5.—The glacis being recognized as common property, each Legation is provisionally charged with the control of that part of which it has at present assumed the defence, and the Commandants of the Guards shall be invited to consult together on all matters relating to its military organization.

"6.—The Legations, the Imperial Customs, Associations, and private individuals, shall not make any encroachments on the glacis, the roads, sidewalks, bridges, or canals, as they are indicated on the map.

"7.—The Representatives of the Powers signers of the Final Protocol of September 7th, 1901, agree to proceed forthwith to the drawing up of a plan of general Government of the police and control of the roads, and to submit this to the approbation of their respective Governments. Moreover they shall take such steps as they shall deem advisable to obtain the necessary authority to enforce these regulations upon their nationals, and to oblige them to pay the taxes intended to insure the service of the police and the maintenance of the roads.

"8.—The Korean Legation, having taken the place of a citizen of the United States as proprietor of the land at present occupied by it, is looked upon as succeeding only to his individual rights, but by courtesy it shall be invited to take part, in the name of the Government, in the drawing up of the general plan of Government.

"9.—Works already executed at the expense of certain Legations, to rebuild roads, sidewalks, canals, bridges, or, in fact, any other work of public utility, are entitled to no compensation from the community.

"10.—Three copies of this Protocol, with the annexed plan, shall be printed for each Legation.

"Done at Peking, June 13, 1904.

(*Signed*) A. von Mumm;
M. Czikann;
De Gaiffier;
De Carcer;
Dubail;
Satow;
Gallina;
Uchida;
Van Citters;
Lessar."

Note 5.

In connection with the handing back to the Chinese authorities of the administration of Tientsin (as to which see *For. Rel. of the U. S.*, 1902, pp. 184-201), the representatives of the five Powers maintaining the provisional government of that port (namely, France, Germany, Great Britain, Italy and Japan) addressed to the Chinese Government, under date of July 15, 1902, identical notes of the following tenor:

Conditions for Dissolution of Provisional Government of Tientsin.—July 15, 1902.

"I have the honor to acknowledge the receipt of Your Highness's note of the 5th instant, inclosing copy of a letter from his excellency the viceroy Yuan, urging reasons why the administration of the city of Tientsin should be handed back to his excellency at an early date.

"In reply I have the honor to state to Your Highness that, in accord with my colleagues representing powers that still have delegates on the council of the Tientsin provisional government, I am authorized by my Government to consent to the dissolution of that body, provided that the Chinese Government signifies its adherence to the following propositions:

"By Article VIII of the final protocol of September 7, 1901, it was declared that the Chinese Government agreed to have the forts at Taku, and others which might interfere with free communication between Peking and the sea, demolished; and it was added that arrangements had been made for this purpose.

"The Chinese plenipotentiaries having expressed to the diplomatic body their desire to be relieved of the direct responsibility for carrying out this article, the representatives of the signatory powers intrusted the work to the Tientsin provisional government. It is not yet entirely completed. In order therefore to insure the fulfillment of this article, I have the honor to propose to Your Highness that the work of demolition shall, from the moment of the dissolution of the Tientsin provisional government, be placed in the hands of the G. O. C.'s at Tientsin, the necessary funds being provided out of the moneys then remaining in the treasury of the Tientsin provisional government.

"By Article IX of the same protocol it is provided that the powers shall have the right of occupying certain points between Peking and the sea, of which the whole town of Tientsin is one. Consequently, after the dissolution of the Tientsin provisional government, foreign troops will continue as hitherto to be stationed there, in the places actually occupied by them, and their supplies of all sorts continuing, as at present, to be exempt from all taxes or dues whatsoever. They will have the right of carrying on field exercises and rifle practice, etc., without informing the Chinese authorities, except in the case of *feux de guerre*.

"It is desirable, however to avoid as far as possible occasions of collision between the foreign troops and those of China. I propose, therefore, that with this object the Chinese Government shall undertake not to station or march any troops within 20 Chinese *li* (6 2/3 English miles) of the city or of the troops stationed at Tientsin; further, in correspondence exchanged between the foreign representatives and the Chinese plenipotentiaries, of whom Your Highness was one, previous to the signature of the protocol, it was agreed that the jurisdiction of the commanders of the posts to be established along the line of communications should extend to a distance of 2 miles on either side of the railway, and this arrangement ought to be maintained as long as the line of posts specified in Article IX of the protocol continue to be occupied.

"I am willing, however, in concert with my colleagues, to consent that the viceroy should have the right of maintaining a personal bodyguard in the city of Tientsin not exceeding in number 300 men; and also that his excellency may maintain an efficient body of river police along the line of the river, even where it runs within the 2-mile limit above mentioned.

"The demolition of the forts implies an obligation upon China not to reconstruct them, and the same obligation applies to the walls of Tientsin city, which, during the troubles of 1900, were made use of as a fortification directed against the security of the foreign settlements. We can not, however, consent that the Chinese Government establish maritime defenses at the mouth of the Peiho at Chingwangtao or at Shanhaikuan.

"We propose that the accounts of revenue and expenditure of the Tientsin provisional government be audited by two competent persons, one to be chosen by the G. O. C.'s at Tientsin, the other by the viceroy, and the balance, after deduction of the sum required to complete the demolition of the forts, be handed over to the provincial treasury.

"Your Highness will no doubt think it right to agree that no Chinese subject who has been in the service of the Tientsin provisional government or of the foreign contingent shall be in any way molested on the ground of such service.

"Chinese subjects in the employ of the foreign forces on the lines of communication will be provided with certificates of identity. It appears to me necessary that the Chinese Government should admit that in case any such Chinese person commits an offense the commandant in whose service he is should have the right of punishing him or of handing him over to the Chinese authoritites as may, in his opinion, be best calculated to secure the ends of justice.

"The right of foreign troops to occupy summer quarters when necessary ought, in my opinion, to be recognized.

"A list of unexpired punishments imposed by the Tientsin provisional government will be furnished when that body is dissolved to the provincial government, which ought to undertake to carry them out. No action, either criminal or civil, adjudicated by the provisional government can ever be opened anew.

"The archives of the Tientsin provisional government I consider should be intrusted to the senior consul, and application can be made to him by any person entitled to consult them.

"As regards taxation, I consider that the inhabitants of the city and district should be regarded as having discharged their duty to the Chinese Government during the period of

the continuance of the administration of the Tientsin provisional government and that no arrears ought to be demanded of them under this heading.

"Such are the proposals which I consider it my duty to place before Your Highness for the acceptation of the Chinese Government, and I have the honor to declare that I am ready to consent to the dissolution of the Tientsin provisional government four weeks after I receive from Your Highness an intimation that they are accepted. I have only further to request that Your Highness will be so good as to designate the official to whom formal delivery of the city and district can be made by the council of the Tientsin provisional government.

"I have, etc."

The understanding upon which the terms of this note were accepted by the Chinese Government was communicated to the American Minister in a note from Prince Ch'ing under date of July 18, 1902, of which the substance is (in translation) as follows:

"On the 10th of the sixth moon, twenty-eighth year of Kuang-hsu (July 14, 1902), I received a dispatch from certain ministers of the treaty powers, stating that in regard to the transfer of the city of Tientsin and the country adjacent to the jurisdiction of the viceroy of Chihli, these foreign ministers were agreed (of the same opinion). They also had had the honor of receiving the sanction of their respective governments for the abrogation of the provisional government, provided only that the Chinese Government should, first of all, distinctly consent to the conditions proposed, when they, on their part, would promise that in four weeks from the day on which consent was given, the provisional government of Tientsin should be abrogated. They therefore request that it be clearly pointed out to whom, when the time arrives, and into whose hands the provisional government should transfer Tientsin city and the country adjacent.

"I have carefully perused the dispatch with regard to the point that military posts should be established along the highway or line of communication from Pekin to the sea, with powers to control and punish, the distance to extend as far as two English miles on each side of the railroad.

"I would remark that according to the doyen, His Excellency Cologan's dispatch of the sixth moon, twenty-seventh year of Kuang-hsu (July, 1901), military control would only refer to offenses against the railroad, the telegraph lines, or against the allies or their property.

"As to the remaining articles I have no objection to make.

"On the 13th of the current moon (July 17) I memorialized the Throne on the subject and had the honor of receiving the sanction of the Throne by imperial decree.

"Whereupon, I at once sent replies to the ministers of the treaty powers, in order that they might transmit the same to the provisional government of Tientsin, that the provisional government be abolished within four weeks, and the city of Tientsin and its adjacent country be returned to Chinese administration and handed over to the superintendent of the northern ports, who, at the head of the local officials, civil and military, will be there to receive it.

"Hereafter, whenever there is need for consultation, the foreign civil and military authorities can, from time to time, consult with his excellency the superintendent of northern ports, which, I hope, will be for the good of the place."

(*For. Rel. of the U. S.*, 1902, p. 201.)

During the Revolution of 1911-12, the representatives of the Powers found it advisable to exercise the right of military control over the Peking-Mukden Railway from the capital to Shanhaikuan; and American, British, French, German, Italian and Japanese troops accordingly occupied allotted sections of the railway, between the points specified, in accordance with the following resolutions adopted by the Diplomatic Body at Peking and embodied in its circular No. 13A of January 26, 1912:

Resolutions of Diplomatic Body regarding Military Occupation of the Railway from Peking to Shanhaikwan.—January 26, 1912.

"1.—That troops should be placed at important stations, bridges, etc., along the line of the railway.

"2.—Both Chinese Imperial and Revolutionist troops are at liberty to utilize the railway line and adjoining piers and wharfage for the purposes of transportation, landing or embarkation and will not be interfered with.

"3.—Both parties will be notified to avoid any interference with the railway and to refrain from damaging it in any way. The Board of the Imperial Railways of North China will be requested to maintain at both Shanhaikuan and Tientsin a repair train loaded with suitable materials for repairing damages.

"4.—Any attempts to permanently damage important parts of the line, such as stations, depots, machinery, bridges, etc., will be resisted by the combined forces of the six Powers cooperating in the defense of the railway.

"5.—The Board of the Imperial Railways of North China will be requested to always keep ready at Shanhaikuan and Tientsin sufficient rolling stock to transport 250 infantry in order that reenforcements can rapidly be dispatched.

"6.—The telegraph offices are to be protected and telegraphic communication maintained. Chinese troops of either side may make use of the line.

"7.—Officers commanding posts and patrols should be informed of the conditions laid down in paragraphs 2, 3, 4, and 6 and told to do their best, with the forces at their disposal, to carry them out."

Note 6.

The final settlement of the question of the Indemnity is embodied in the following joint note addressed to the Prince of Ch'ing by the diplomatic representatives of Germany, Austria-Hungary, Belgium, Spain, France, Great Britain, Italy, Japan, the Netherlands and Russia, under date of July 2, 1905:

Exchange of Notes regarding Final Settlement of the Question of the Boxer Indemnity.—July 2, 1905.

"PEKING, *July 2, 1905.*

"YOUR HIGHNESS:

"We have the honour to acknowledge the receipt of the letter which Your Highness was so good as to address to us on July 2, 1905, in answer to the Collective Note of the Representatives of the Powers, dated July 26, 1904, regarding the payment of the indemnity.

"It is therein stated as follows: 'On July 26th last we had the honour to receive the Collective Note by which the Representatives of Germany, Austria-Hungary, Great Britain, Italy, Japan, the Netherlands and Russia made certain proposals to us for the regulating the payment of the indemnity.

"'We have examined these proposals with the greatest care. After having discussed them several times both verbally and in writing with the Belgian and other Ministers, we are now in a position to submit to the Powers concerned and to ask them to be so good as to accept, a definitive arrangement respecting both the liquidation of the arrears and the payments to be made in future.

"'Recognizing that the sum of 450,000,000 Taels constitutes a debt in gold, that is to say for each Haikwan Tael due to each of the Powers China must pay in gold the amount which is shown in Article VI of the Final Protocol as the equivalent of one Tael, we undertake:

"'1. To extinguish by means of a lump sum of 8,000,000 Protocol Taels, the whole of the debt incurred towards all the Powers collectively on account of the payment in silver during the years up to January 1, 1905. This lump sum shall be divided among the Powers in proportion to the amount of the sums which remained due to each of them on January 1, 1905. With regard to these sums, which are determined by converting the balance of each half year into gold and carrying it forward in Protocol Haikwan Taels we beg the Ministers to be so good as to let us know what they are, in order that they may be paid by telegraphic transfers to each Power direct, a fortnight after the present proposals have been accepted. These 8,000,000 Taels will bear interest at 4 per cent per annum from January 1, 1905, to the day of payment.

"'2. To sign the national bonds as soon as the Powers have given their assent to our proposals.

"'3. In future on the last day of each month, to pay equal monthly instalments of the whole of the sum payable each year for interest and sinking-fund, which is fixed by the sinking-fund tables attached to the respective national bonds, the Powers agreeing that China at the end of each half year may deduct interest at the rate of 4 per cent per annum on these instalments from the date on which they have been made to the last day of the half year.

"'China will make these payments, calculated on the basis set forth above, which fixes the value of the Haikwan Protocol Tael in relation to the money of each country, either in silver, according to the price of silver on the London market, or in gold bills, or in telegraphic transfers, at the choice of each Power. China may obtain bills and telegraphic transfers as best suits her interests at any place and at any bank at the lowest price or by public tender, provided that the payments in gold be made to each Power direct on the due date. It is understood that China is responsible for the exact payment of the transfers and the bills. Each Power in accepting the present proposals must inform the Chinese Government which of the three methods cited above is the one it chooses 'till the debt is extinguished.

"'4. As to the sums in silver which have been paid over to the Bankers' Commission between January 1, 1905, and the coming into force of the new arrangement regarding the indemnity, we propose that they should be repaid to the Shanghai Taotai. He will then

meet the instalments that have then fallen due, in accordance with the methods set forth above, with deduction of interest at 4 per cent per annum from the day the payment shall have been re-effected, up to the date of the next half yearly payment.

"'We beg Their Excellencies the Ministers of the Powers to inform us as soon as possible whether their Governments accept our proposals.'

"We have submitted these proposals to our respective Governments, who after examining them in a conciliatory spirit, have assented to them.

"We therefore have the honor to inform Your Highness that we all accept the definite arrangement of the question of the indemnity proposed in your letter of today.

"It is understood that Article 4 of the present agreement shall be applied in an equitable manner.

"Your Highness will find attached a table setting forth the division of the 8,000,000 taels which you have expressed the desire to receive.

A. v. Mumm.
A. Rosthorn.
E. de Gaiffier.
Manuel de Carcer.
M. Dubail.
Ernest Satow.
C. Baroli.
Y. Uchida.
A. J. Citters.
D. Pokotilow."

"Amount due each power from the sum of 8,000,000 *protocol taels.*

Country.		Foreign currency.	Protocol taels.
Germany	Marks	4,971,917.95	1,627,469.05
Austria-Hungary	Crowns	263,700.83	73,352.11
Belgium	Francs	560,776.83	149,540.44
Spain	...do	8,943.75	2,385.00
United States	Gold dollars	490,435.44	660,964.20
France	Francs	4,684,727.62	1,249,260.70
Great Britain	Pounds	138,114.91	920,763.04
Portugal	...do	250.16.4	1,672.11
Italy	Francs	1,759,261.46	469,136.39
Japan	Yen	724,487.16	514,916.25
Netherlands	Florins	24,169.69	13,457.51
Russia	Rubles	3,266,264.32	2,313,218.36
International claims	Pounds	408.73	2,722.42
Sweden and Norway	...do	171.73	1,142.42
		.....	8,000,000.00"

(Translation, as printed in *For. Rel. of the U. S.*, 1905, p. 156, from French original.)

In reply to a request, by the signatories of this collective note, to be informed whether the Government of the United States would accept the proposals of the Chinese Government as embodied therein, the American Minister replied under date of July 2, 1905, as follows:

"Messieurs les Ministres et
Monsieur le Chargé d'Affaires:

"I have the honor to acknowledge the receipt of your joint letter which you have been pleased to address me under date of today, and in which you communicate to me the notes exchanged by you and the Chinese Government with the object of a final settlement of the question of the indemnity in the Final Protocol of 7th September, 1901.

"I am pleased to inform you that I accept in the name of my Government the proposals of the Chinese Government as stated in these two notes.

"Please accept, Excellencies and Monsieur, the assurance of my highest consideration.

(*Sgd.*) "W. W. Rockhill.

"A LL. EE. MM. les Ministres
d'Allemagne, de Grande Bretagne, de Japon,
de France, des Pays-Bas, de Belgique, d'Italie,
d'Espagne et de Russie; et M. le Chargé
d'Affaires d'Autriche-Hongrie."

NUMBER 1902/1.

RUSSIA (Chinese Eastern Railway Company) AND CHINA (Provincial Government of Heilungkiang).

Agreement regarding Jurisdiction over Chinese Subjects in the Railway Zone.—January 1/14, 1902.*

In view of the fact that the conditions of the old agreement for the Principal Heilungkiang Bureau in Fulierdi for conducting the affairs of the province in relation to the Chinese Eastern Railway, concluded between His Excellency En, former Chiang-Chun of Heilungkiang, and Messrs. Yugovitch, Engineer-in-Chief, and Ignatius, his assistant, signed November 20/December 2, 1899, and according to the Chinese calendar the 1st day of the 9th month of the 25th year of Kuang Hsü, are not in harmony with the present state of affairs, His Excellency Sah, acting Chiang-Chun of Heilungkiang, appointed on September 28/November 11, 1901, the Expectant Taotai of Hunan Province, Mr. Djoumyan, his authorized representative for negotiations with the Engineer-in-Chief, Mr. Yugovitch, his Assistant, Mr. Ignatius, and his representative, Mr. Daniel, regarding necessary additions to and changes in the said agreement. They have arrived at an agreement upon the following articles:

Article 1.—The Principal Heilungkiang Bureau for the conduct of affairs in relations between the Province and the Chinese Eastern Railway, shall be established in the immediate neighborhood of the Central Station. It is necessary to appoint officials to the Principal Bureau, each of whom shall perform his special functions and shall live mainly in Harbin, and for all important sections special officials who shall be subject to the orders of the Principal Bureau.

Article 2.—The purpose of the founding of this Bureau is the examination and final decision of all cases arising in Heilungkiang Province which directly or indirectly touch the interests of the Chinese Eastern Railway Company, of interpreters, servants, artisans and ordinary laborers in the railway service, persons supplying materials, contractors for work of various kinds, and finally of all Chinese residing in the territory of the railway. In cases of important violation of Chinese laws, or of the provisions of the present agreement, as for example in cases of murder, robbery, resistance to authorities, illegal assembly, adultery, concealment of criminals, arson, usury, freeing of criminals, larceny, or the theft of money exceeding three hundred *tiao,* regardless of how far the place, where the offense was committed, may be from the Principal Bureau, all such cases shall be examined and finally decided by the Principal

* Translation from the Russian version printed in *Soglashenia,* p. 29.

In connection with this Agreement see also the similar Agreement of July 5/18, 1901, with the Provincial Authorities of Kirin (No. 1901/2, *ante*).

The agreement of November 20/December 2, 1899, which the present agreement supplements and amends, is printed (in Russian version) in *Soglashenia,* p. 26. It is of the same tenor as the agreement of May 19/31, 1899, printed in a footnote to the Kirin Agreement cited above, with the substitution of *Tsitsihar* (*Heilungkiang*) for *Kirin,* and (in §§ 9, 10 and 11) somewhat different financial provisions, among them one for 40,000 Tsitsihar taels, instead of 60,000 Kirin taels, for expenses of maintenance.

Bureau. In the above-mentioned cases, or in any other important and urgent question arising on any section of the railway, the special official of the local branch of the Bureau, and the district engineer shall immediately make a report each to his own central office. All unimportant and ordinary affairs, however, which do not constitute such a serious infringement of the Chinese laws or of the present agreement, may be investigated and settled on the spot by the special official of the branch of the Bureau by agreement with the district engineer; if the two sides on account of difference of opinion cannot arrive at a decision, each of them shall immediately report to this effect to his central office by letter or by telegram, and shall request instructions or suggestions for the settlement of the case.

In case of matters arising in the territory of Heilungkiang Province directly or indirectly affecting the interests of the Chinese Eastern Railway Company, all persons, whether Chinese, Manchus or Mongols, are required to submit to the provisions of this agreement.

Article 3.—All cases coming within the definition in Article 2, the examination of which has already been begun but has not been completed by different yamens or officials, must as soon as possible be turned over with all the documents to the Principal Bureau, which shall determine by agreement with the Engineer-in-Chief of the Chinese Eastern Railway the manner in which the case is to be conducted.

Article 4.—In the future all questions arising in connection with complaints and petitions coming before different yamens or officials and falling within the definition in Article 2, must be turned over to the Principal Bureau for proper settlement. All yamens or bureaus having any official business requiring official relations with the railway company are required to report regarding it to the Principal Bureau, in order that it may communicate it to the company. There is no need for them to send their communications directly to the company, in order that confusion may be avoided, and in order that unity of policy may be maintained.

Article 5.—Since each question connected with claims and petitions falling within the definition in paragraph 2 must be examined or investigated by the President of the Principal Bureau, in conjunction with the Engineer-in-Chief or his representative, the decision also shall be arrived at in the same manner.

Article 6.—In cases in which there have been committed by Chinese subjects the crimes mentioned in paragraph 2, as soon as the Principal Bureau has legally imposed a penalty for the same, the said penalty shall be carried into execution either by the Principal Bureau itself or by the authority of that locality where the crime was committed, and to which the Bureau shall deliver the criminals. This question shall be settled according to the circumstances by the Principal Bureau itself. A jail must be built in the Principal Bureau for the imprisonment of Chinese criminals.

Article 7.—In cases of offenses of great importance committed by Chinese and subject to more severe punishment than banishment, or in case of difference of opinion between the President of the Principal Bureau and the Engineer-in-Chief, their decision shall be undertaken by the Chiang-Chun in

accordance with the reports of the President and the communications of the Engineer-in-Chief. Other affairs more or less important shall be examined and finally settled by the President of the Bureau in conjunction with the Engineer-in-Chief or his representative; the former shall from time to time impose sentence in these cases, and shall forward reports regarding them monthly to the Chiang-Chun, who shall preserve them in his archives.

ARTICLE 8.—Officials and soldiers of the Principal Bureau and its branches shall be appointed by the Chiang-Chun. But the President and Vice-President occupying most important offices, must be worthily selected, and in case of their appointment or removal, it is necessary that the Chiang-Chun should previously take deliberate steps in conjunction with the Engineer-in-Chief, and should suggest to him for appointment officials whose intelligence, capability and acquaintance with railway affairs, is known to both parties. After the choice has been made, it is necessary to request the Chiang-Chun to confirm them.

Besides the President and the Vice-President, who shall reside at the Principal Bureau, there shall be appointed another Vice-President in the branch bureau at Fulierdi. The choice of the other officials of the Principal Bureau and its branches, who are to carry heavy and important responsibilities, shall be made by the President of the Principal Bureau from among upright, just, honest and intelligent men, who have ability in affairs of mutual relations. Having come to a decision with the general consent of the Engineer-in-Chief, he shall petition the Chiang-Chun to issue to each of them a document certifying this appointment.

ARTICLE 9.—To meet all necessary expenses of the President, Vice-President, officials and soldiers of the Principal Bureau and its branches, the Engineer-in-Chief shall annually pay to the President of the Bureau Tsitsihar taels 40,000. Payment shall be made four times a year, beginning with January 1, 1902 (the 5th day of the 12th month of the 27th year of Kuang Hsü), at the beginning of each three months.

ARTICLE 10.—Besides the sum above mentioned, the President with the consent of the Engineer-in-Chief has fixed a second sum of Tsitsihar taels 8,000 for the construction of the buildings of the Principal Bureau and quarters for the officials, employees and soldiers, and a third sum of Tsitsihar taels 2,000 for the purchase of furniture and utensils necessary for the Principal Bureau and its branches; the houses and apartments for the branches of the Bureau shall be prepared by the railway with a sufficient number of rooms for the needs of the employees and soldiers.

ARTICLE 11.—All protocols or documents for lots of land leased for the requirements of the railway must, in accordance with paragraph 6 of the railway agreement signed on the 20th day of the 7th month of the 22nd year of Kuang Hsü, 16/28 of August, 1896, be presented to the Principal Heilungkiang Bureau for verification and affixing of the seal. This rule shall be general for all lots of land, Manchu, Mongol and Chinese, without distinction, whether they are owned by communities, by the Government or by private individuals.

ARTICLE 12.—The present agreement is made in duplicate, and has been drawn up in three languages: Chinese, Russian and French. It shall be sent to

His Excellency Sah, acting Chiang-Chun of Heilungkiang, for signature after it has been signed by Taotai Djoumyan, fully authorized *President* † appointed by His Excellency Chiang-Chun Sah, by Mr. Yugovitch, Engineer-in-Chief of the Chinese Eastern Railway, by Mr. Ignatius, his assistant, and Mr. Daniel, his representative. After this, His Excellency the acting Chiang-Chun and the Engineer-in-Chief shall each retain one copy of the present agreement. In case of dispute, we shall take as a basis the French version. The French text is a true rendering of the Chinese text.

Signed the 5th day of the 12th month of the 27th year of Kuang Hsü, (January 1, 1902, Russian style.)

NUMBER 1902/2.

GREAT BRITAIN AND JAPAN.

Agreement relative to China and Corea.—January 30, 1902.*

The Governments of Great Britain and Japan, actuated solely by a desire to maintain the *status quo* and general peace in the Extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Corea, and in securing equal opportunities in those countries for the commerce and industry of all nations, hereby agree as follows:—

Article I.—The High Contracting Parties having mutually recognized the independence of China and of Corea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan, in addition to the interests which she possesses in China, is interested in a peculiar degree politically as well as commercially and industrially in Corea, the High Contracting Parties recognize that it will be admissible for either of them to take such measures as may be indispensable in order to safeguard those interests if threatened either by the aggressive action of any other Power, or by disturbances arising in China or Corea, and necessitating the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

Article II.—If either Great Britain or Japan, in the defence of their respective interests as above described, should become involved in war with another Power, the other High Contracting Party will maintain a strict neutrality, and use its efforts to prevent other Powers from joining in hostilities against its ally.

Article III.—If, in the above event, any other Power or Powers should

* Text as printed in the British *Treaty Series*, No. 3 (1902). Printed also in *Rockhill*, p. 97; *Hertslet*, p. 597. See Note to this document, *post*, p. 325.

† *Sic.* Probably the word "representative" was intended.—Editor.

join in hostilities against that ally, the other High Contracting Party will come to its assistance, and will conduct the war in common, and make peace in mutual agreement with it.

ARTICLE IV.—The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the interests above described.

ARTICLE V.—Whenever, in the opinion of either Great Britain or Japan, the above-mentioned interests are in jeopardy, the two Governments will communicate with one another fully and frankly.

ARTICLE VI.—The present Agreement shall come into effect immediately after the date of its signature, and remain in force for five years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said five years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto,* continue until peace is concluded.

In faith whereof the Undersigned, duly authorized by their respective Governments, have signed this Agreement and have affixed thereto their seals.

Done in duplicate at London, the 30th day of January, 1902.

(L.S.) (Signed) LANSDOWNE,
His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

(L.S.) (Signed) HAYASHI,
Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.

Note.

This agreement was replaced by that of August 12, 1905 (No. 1905/6, *post*), which was in turn replaced by that of July 13, 1911 (No. 1911/7, *post*).

In connection with this agreement, see the Franco-Russian declaration of March 3/16, 1902 (*China, No. 2 (1904)*, p. 37; *Recueil,* p. 527; *Hertslet,* p. 598) of which the translation, as printed in *Rockhill,* 203, is as follows:

Franco-Russian Declaration regarding the Anglo-Japanese Alliance.—March 16, 1902.

"The allied Governments of Russia and France have received a copy of the Anglo-Japanese Agreement of the 30th January 1902, concluded with the object of maintaining the *status quo* and the general peace in the Far East, and preserving the independence of China and Korea, which are to remain open to the commerce and industry of all nations, and have been fully satisfied to find therein affirmed the fundamental principles which they have themselves, on several occasions, declared to form the basis of their policy, and which still remain so.

"The two Governments consider that the observance of these principles is at the same time a guarantee of their special interests in the Far East. Nevertheless, being obliged themselves also to take into consideration the case in which either the aggressive action of third Powers, or the recurrence of disturbances in China, jeopardizing the integrity and free

development of that Power, might become a menace to their own interests, the two allied Governments reserve to themselves the right to consult in that contingency as to the means to be adopted for securing those interests.

"ST. PETERSBURG, *March 3 (16), 1902.*"

As printed in *Recueil,* this declaration is followed by a *communiqué officiel,* dated St. Petersburg, March 7/20, 1902, of which the following is a translation:

"The Convention concluded in the month of January last between England and Japan has given rise to the most contradictory interpretations and the most varied surmises, principally by reason of the fact that, by that act, two of the eleven Powers which had only just signed the Peking Protocol, after the accomplishment of their collective action in China, seemed to separate themselves from the other Cabinets, and to place themselves in a special situation in reference to the Celestial Empire where, thanks to the joint efforts, the traditional order of affairs had been reestablished, and the legitimate central authority restored.

"The Imperial Government, appreciating the friendly communications made in this regard to Russia by the Japanese and English Governments, has received the conclusion of that convention with the utmost calm. The principles that have guided Russian policy have remained and still remain invariable; Russia insists on the independence and integrity of China—a friendly neighboring country—as well as on that of Korea: Russia desires the maintenance of the *status quo* and the general pacification of the Far East. By the construction of the great Siberian Railway, with a branch running through Manchuria to a port always free of ice, Russia is favoring the extension, in those regions, of the commerce and industry of the whole world. Would it be in her interests actually to set up obstacles to that?

"The intention, expressed by England and Japan, to contribute to the attainment of the same aims which are invariably pursued by the Russian Government, can only appeal to the sympathy of Russia, in spite of comments emanating from certain political spheres and from various organs of the foreign press, which have made an effort to present under quite a different aspect the impassive attitude of the Imperial Government in regard to a diplomatic act which, in its view, does not at all change the general situation of the political horizon.

"Indeed, in view of the constantly persistent agitation on the subject of the Anglo-Japanese arrangement, the allied Governments of Russia and of France have deemed it necessary to formulate precisely their point of view on this subject in an identic declaration addressed to the Powers whose representatives, jointly with the plenipotentiaries of Russia and of France, signed the Peking Protocol of August 25/September 7, 1901."

NUMBER 1902/3.

RUSSIA AND CHINA.

Convention with regard to Manchuria.—April 8, 1902.*

His Majesty the Emperor and Autocrat of All the Russias, and His Majesty the Emperor of China, with the object of re-establishing and confirming the relations of good neighborhood, which were disturbed by the rising in the Celestial Empire of the year 1900, have appointed their Plenipotentiaries to come to an agreement on certain questions relating to Manchuria. These Pleni-

* Translation from the French text, as reprinted in *Rockhill,* p. 99, from *China, No. 2 (1904),* p. 36. Printed also in *Hertslet,* p. 509; *Am. Int. Law Journal, Supplement,* 1910, p. 304; French text in *Customs,* Vol. I, p. 239; *Recueil,* p. 538 (where also are printed a Russian *Communication Officielle en date du 3/16 Décembre, 1900, concernant le Chemin de Fer Chinois de Yang-tsoun-Chang-hai Kouan,* at p. 416; and a *Communiqué Officiel: St.-Pétersbourg, 30 Mars/12 Avril, 1902,* at p. 535). See Note 1 to this document, *post,* p. 329.

potentiaries, furnished with full powers which were found to be in order, agreed as follows:—

ARTICLE I.—**Chinese authority in Manchuria to be re-established.**—His Imperial Majesty the Emperor of Russia, desirous of giving fresh proof of his peaceable and friendly disposition towards His Majesty the Emperor of China, and overlooking the fact that attacks were first made from frontier posts in Manchuria on peaceable Russian Settlements, agrees to the re-establishment of the authority of the Chinese Government in that region, which remains an integral part of the Chinese Empire, and restores to the Chinese Government the right to exercise therein governmental and administrative authority, as it existed previous to the occupation by Russian troops of that region.

ARTICLE II.—**China to protect railway and all Russian subjects and their undertakings.**—In taking possession of the governmental and administrative authority in Manchuria, the Chinese Government confirms, both with regard to the period and with regard to all other Articles, the obligation to observe strictly the stipulations of the Contract concluded with the Russo-Chinese Bank on the 27th August, 1896,† and in virtue of paragraph 5 of the above-mentioned Contract, takes upon itself the obligation to use all means to protect the railway and the persons in its employ, and binds itself also to secure within the boundaries of Manchuria the safety of all Russian subjects in general and the undertakings established by them.

Evacuation of Manchuria by Russia.—The Russian Government, in view of these obligations accepted by the Government of His Majesty the Emperor of China, agrees on its side, provided that no disturbances arise and that the action of other Powers should not prevent it, to withdraw gradually all its forces from within the limits of Manchuria in the following manner:—

(*a*) Within six months from the signature of the Agreement, to clear the southwestern portion of the Province of Mukden up to the River Liao ho of Russian troops, and to hand the railways over to China.

(*b*) Within further six months to clear the remainder of the Province of Mukden and the Province of Kirin of Imperial troops.

(*c*) Within the six months following to remove the remaining Imperial Russian troops from the Province of Hei-lung-chiang.

ARTICLE III.—**Chinese forces pending evacuation.**—In view of the necessity of preventing in the future any recurrence of the disorders of last year, in which Chinese troops stationed on the Manchurian frontier also took part, the Imperial Russian and Chinese Governments shall undertake to instruct the Russian military authorities and the Tsiang-Tsungs, mutually to come to an agreement respecting the numbers and the disposition of the Chinese forces until the Russian forces shall have been withdrawn. At the same time the Chinese Government binds itself to organize no other forces over and above those decided upon by the Russian military authorities and the Tsiang-Tsungs as sufficient to suppress brigandage and pacify the country.

Chinese forces after evacuation.—After the complete evacuation of Manchuria by Russian troops, the Chinese Government shall have the right to

† *l.c.*, Contract for the Chinese Eastern Railway, September 8th, 1896 (No. 1896/5, *ante*).

increase or diminish the number of its troops in Manchuria, but of this must duly notify the Russian Government, as it is natural that the maintenance in the above-mentioned district of an over large number of troops must necessarily lead to a reinforcement of the Russian military force in the neighbouring districts, and thus would bring about an increase of expenditure on military requirements undesirable for both States.

Chinese police guard in Manchuria.—For police service and the maintenance of internal order in the districts outside those parts allotted to the Eastern Chinese Railway Company, a police guard, under the local Governors ("Tsiang-Tsungs"), consisting of cavalry and infantry, shall be organized exclusively of subjects of his Majesty the Emperor of China.

ARTICLE IV.—**Shanhaikwan-Sinminting railway to be restored.**—The Russian Government agrees to restore to the owners the railway Shanhaikwan-Newchwang-Sinminting, which, since the end of September, 1900, has been occupied and guarded by Russian troops.‡ In view of this, the Government of His Majesty the Emperor of China binds itself:—

1. **China alone to protect this line.**—In case protection of the above-mentioned line should be necessary, that obligation shall fall exclusively on the Chinese Government, which shall not invite other Powers to participate in its protection, construction, or working, nor allow other Powers to occupy the territory evacuated by the Russians.

2. **Completion and working of this line.**—The completion and working of the above-mentioned line shall be conducted in strict accordance with the Agreement between Russia and England of the 16th April, 1899,§ and the Agreement with the private Corporation respecting the loan for the construction of the line.‖ And furthermore, the Corporation shall observe its obligations not to enter into possession of or in any way to administer the Shanhaikwan-Newchwang-Sinminting line.

3. **Extension of line in South Manchuria.**—Should, in the course of time, extensions of the line in Southern Manchuria, or construction of branch lines in connection with it, or the erection of a bridge in Newchwang, or the moving of the terminus there, be undertaken, these questions shall first form the subject of mutual discussion between the Russian and Chinese Governments.

4. **China to pay Russia for repair and keep of line.**—In view of the fact that the expenses incurred by the Russian Government for the repair and working of the Shanhaikwan-Newchwang-Sinminting line were not included in the sum total of damages, the Chinese Government shall be bound to pay back the sum which, after examination with the Russian Government, shall be found to be due.

The stipulations of all former Treaties between Russia and China which are not affected by the present Agreement shall remain in force.

The Agreement shall have legal force from the day of its signature by the Plenipotentiaries of both States.

‡ See Note 2 to this document, *post*, p. 330.
§ *I.e.*, Agreement of April 16/28, 1899 (No. 1899/3, *ante*).
‖ *I.e.*, Shanhaikuan-Newchwang Railway Loan Agreement of October 10, 1898 (No. 1898/20, *ante*).

The exchange of ratifications shall take place in St. Petersburg within three months from the date of the signature of the Agreement.

For the confirmation of the above, the Plenipotentiaries of the two Contracting Powers have signed and sealed two copies of the Agreement in the Russian, French, and Chinese languages. Of the three texts, which, after comparison, have been found to correspond with each other, that in the French language shall be considered as authoritative for the interpretation of the Agreement.

Done in Peking in duplicate, the 26th March (8th April), 1902.¶

Note 1.

In connection with this convention see also the Agreement for the transfer of the Peking-Shanhaikwan Railway from the British military authorities to the Chinese civil authorities, and Additional Agreement respecting the management of the northern railways, April 29th, 1902 (No. 1902/4, *post*). See also the following arrangement between Tseng Chi, Tartar General of Mukden, and Admiral Alexeieff, Commander in Chief of Kuantung Peninsula and of the Russian naval and military forces in the Pacific, as printed (in translation) in *Rockhill,* p. 201, under the heading "Signed at Port Arthur, January 30, 1901," and with a footnote stating that "the original convention bears date November 11, 1900":

Preliminary Russo-Chinese Arrangement regarding Manchuria.—January 30, 1901.

"1.—All official residences in Mukden to be handed back to the Chinese officials who will act in accordance with the terms arranged.

"2.—Chinese officials to be allowed to go to their posts in all those towns taken by the Russians. They may establish police forces; in large places to the number of 500 men, in medium sized places 300 men, in others 200. These police may carry arms but must be provided with distinguishing badges stamped by the Russian and Chinese authorities.

"3.—Robbers and rebels taken by Russian police to be handed over to the local officials to be dealt with by Russian and Chinese law (*sic*).

"4.—The Newchwang customs duties and likin to be collected temporarily by Russians and the Imperial commands awaited as to the application of such funds after a treaty has been signed between Russia and China. All other sources of revenue are to be under the control of the Tartar General.

"5.—The western roads of the province are at present disturbed and unsafe. Russian troops to be withdrawn from those parts so that traffic may be resumed. Newchwang being now closed by ice, the products of the southern roads, tobacco, hemp, beans and grain have no exit. The rail by Port Arthur can be used for their transport.

"6.—Russia may establish a Resident at Mukden and two Deputies for international business, who will transact such business in conjunction with the Chinese Deputies.

"7.—The duty of the Taotai of Newchwang is to control the customs. The Russian authorities are at present collecting the revenue of the Foreign Customs House. The Tartar General may order the Taotai to return and act in cooperation with them.

"8.—The disbanded Chinese troops for the most part took their weapons with them in their flight. The Russian military authorities need not send to search them out. The Tartar General will despatch officials in all directions to find them and so obviate any alarm to the populace.

"9.—The Tartar General has no plenipotentiary powers. The result of the negotiations of Prince Ch'ing and Grand Secretary Li Hung-chang must be awaited. Russia is desirous of a lasting peace.

"10.—The Tartar General Tseng Chi is to remain for four years in office in this province to reorganize public affairs after the late disturbances.

"Korostovetz.
"Chou Mien."

In *Shina Kankei Tokushu Joyaki Isan,* p. 109, is printed a Japanese version of what purports to be a "Secret Treaty between Russia and China," concluded in February, 1901.

¶ This treaty was signed by M. Paul Lessar, Envoy Extraordinary and Minister Plenipotentiary of Russia to China, on the part of Russia, and by Prince Ch'ing and Wang Wen-shao, on the part of China.

This document appears to be a translation from a Chinese original, and is somewhat obscure in its phraseology. The following translation is therefore offered with all reserves:

Alleged Secret Russo-Chinese Treaty regarding Manchuria.—February, 1901.

"1.—In accordance with the desire of His Majesty the Emperor of Russia to express his friendly feelings to China, acts of hostility in Manchuria will be forgotten; and when Manchuria is completely restored, the Chinese Administration will be conducted as formerly.

"2.—In accordance with Article 6 [? 5] of the Manchurian Railway Treaty [? Russo-Chinese Bank Contract for the Construction and Operation of the Chinese Eastern Railway, September 8, 1896], the railway guard which has been established will restore order, and will be maintained until China has fulfilled the conditions mentioned in the four articles of the last paragraph [? four paragraphs of the last article] of that treaty.

"3.—In case an emergency should arise, the Russian troops stationed (in this region) will assist China with all their force, and repress it.

"4.—Until the Manchurian Railway shall have been completed, China shall not quarter any troops (there). If she is to place troops there in future, it shall be decided in consultation with Russia. Moreover, the importation of arms and munitions into Manchuria shall be prohibited.

"5.—The Tartar General at Mukden, or the local officials, shall at the request of Russia dismiss anyone who obstructs the relations between Russia and China. If China establishes infantry patrols in Manchuria, the personnel shall be decided in consultation with Russia.

"6.—China shall not employ foreigners other than Russians as military or naval instructors in the various Provinces of northern China.

"7.—In order to assure the tranquility of districts, the disposal of unoccupied land, mentioned in Article 5 [? 6] of the Lease Agreement [? Contract of September 8, 1896] shall be determined by a special agreement by the local officials. The rights of self-government of Shengking Province shall be abolished.

"8.—China shall not, without the consent of Russia, transfer to other nations, or to the subjects of other nations, mines or other interests in Manchuria, Mongolia or Sinkiang. Moreover, she shall not construct railways in those regions.

"Except in Newchwang, there shall be no leases or grants made to the subjects of other nations.

"9.—Russia shall be indemnified for her military expenditures in the present situation, as speedily as in the case of the indemnities to the various Powers. Security for the amount of the indemnity shall be given within the period for payment. It shall be under the joint management of the Powers.

"10.—Indemnity for damage to the railway and for damages to the engineers of the railway shall be paid after consultation between China and the Company.

"11.—The said indemnity shall be agreed upon with the Company. Compensation for all or part of the amount may be made by the grant of other privileges.

"12.—One railway may be constructed to Peking from the railway already agreed upon, and it may be extended to the Great Wall [?] . This shall be managed in accordance with the railway agreement now in force."

Note 2.

The restoration of this railway—the section of the Imperial Railways of North China byond the Great Wall—was the subject of a further agreement signed at Peking on September 9/22, 1902, of which the following is the translation from the Chinese text:

Agreement for Rendition by Russia of Shanhaikwan-Hsinmintun-Yingk'ou Railway.—September 22, 1902.

"Whereas the Treaty of March 26 (Apr. 8), 1902, provides for the rendition of the said railway to China on or before September 26 (Oct 9), 1902,

"And Whereas the said limit is about to expire,

"Now, therefore, Paul Lessar, Envoy Extraordinary and Minister Plenipotentiary for Russia in China, and Prince Ch'ing, President of the Board of Foreign Affairs, etc., etc., etc., and Wang, Associate President of the Board of Foreign Affairs, etc., etc., etc., Plenipotentiaries for China, have agreed upon the following Articles.

"ARTICLE I.—The Governments of Russia and China, for the purpose of turning over, and receiving, the railway, respectively, shall each appoint Plenipotentiaries, who may appoint such assistants as are necessary, and who shall agree upon the procedure to be followed, and the regulations to be observed, in the rendition of the railway.

"ARTICLE II.—The Imperial Chinese Railway Administration for North China shall take over at their market value all works made by the Russian Military Authorities with a

view toward the upkeep and protection of the railway line, and all utensils and materials provided by the said Russian Military Authorities.

"ARTICLE III.—Russian troops shall enjoy the same privileges on the Shanhaikuan-Yingk'ou line as the troops of other nations enjoy, or may hereafter enjoy, on the Peking-Shanhaikuan line, for such time as Legation guards are stationed in Peking and troops in Chihli for the protection of communication between Peking and the sea, as provided in the Protocol of August 25 (Sept. 7), 1901; and to facilitate the transfer of time expired men from such detachments, and their replacement by others, vessels transporting Russian troops and military supplies shall enjoy the special privilege of priority over other shipping at the railway wharves at Yingk'ou.

"ARTICLE IV.—Russian troops and military supplies transported between Shanhaikuan and Yingk'ou shall be charged for at the same schedule of prices as that in force at the time on the Peking-Shanhaikuan line.

"ARTICLE V.—The offices used by the Russian Post and Telegraph Administrations at Shanhaikuan shall be turned over to the Imperial Chinese Railway Administration at the same time as the offices of the Imperial Chinese Railway Administration used by the British Military Administration at Tientsin and Shanhaikuan are turned over.

"ARTICLE VI.—During the time stated in Article III of this Convention, Russia shall enjoy the same privileges in regard to the Yingk'ou-Shanhaikuan-Peking telegraph line strung on the poles erected by the Railway as the other powers enjoy between Peking and Shanhaikuan under Article VIII of the British-Chinese Convention of April 16 (29) of the present year in regard to the rendition to China of the Railway.

"ARTICLE VII.—The Russian Government shall enjoy the same privileges in regard to the despatch of mails from Peking to Yingk'ou as other powers enjoy on the railway between Peking and Shanhaikuan. Hereafter as the Russian mails increase in bulk, if special cars should be necessary for their despatch, the Imperial Chinese Railway Administration shall provide a car on one day's notice; as a matter of convenience the cars supplied from Peking to the Chinese Eastern Railway for the transport (of mails) to Russia shall be paid for each Sunday, and the charges for such cars shall not exceed the rate charged for the transport of military supplies.

"(*Signed*) "PAUL LESSAR.
" "CH'ING.
" "WANG WEN-SHAO."

A French translation from the Russian text of this agreement is printed in *Recueil*, p. 633.

In regard to restoration by the British military authorities of the section of the Imperial railways of North China within the Wall, see the agreements of April 29, 1902 (No. 1902/4, *post.*)

NUMBER 1902/4.

GREAT BRITAIN AND CHINA.

Agreement for the restoration of the Peking-Shanhaikuan Railway to the Chinese civil authorities by the British military authorities, and Additional Agreement respecting the management of the northern railways and the building of new branch lines.—April 29, 1902.*

Agreement for Transfer of Peking-Shanhaikuan Railway to Chinese Civil Administration.

The British Military Authorities are prepared to hand over to the Administrators-General of the Northern Railways the railway from Peking to Shanhaikuan, including the extensions to Tungchow, Chien Men and Temple of Heaven, on the following conditions:

* Texts as printed in *Wang*, pp. 117, 123. Printed also in *Recueil*, pp. 546, 551. See Note 1 to this document, *post*, p. 335.

1. Whereas by Article 9 of the Protocol of September 7 † the Chinese Government accorded to the Powers the right of occupying certain points to be determined by agreement among themselves, for the purpose of maintaining free communication between Peking and the sea, and the railway is essentially the principal line of communications, the Chinese Government undertakes to give precedence to the transport of troops occupying these points and Legation guards, horses, artillery, stores and all military impedimenta, in accordance with the annexed regulations for military traffic on the line from Shanhaikuan to Peking.‡

2.—The Administrators-General agree, as long as the military posts referred to in Article 1 are maintained, that a Military Co-director and two Military deputy Co-directors shall be retained, to attend to the requirements of military traffic. All such requirements, whether in transport or works, shall be arranged by the Military Co-director with the Chinese Administration, who will give orders for their fulfilment.

The position of Co-director will be held by a British officer while the German and Japanese Military Authorities will each have the power to appoint one of the deputy Co-directors.

3.—To facilitate communication between the various contingents and the railway administration the commanding officers may as long as the military posts are maintained appoint station officers at all the stations which appear to them to be of special importance, and every facility will be afforded to them to guard the interests of their contingents. For this purpose they will correspond direct with the British Military Co-director.

4.—The Administrators-General of the Northern Railways agree to appoint an officer to take over, after verification, and fulfil all engagements and agreements whatsoever entered into by the British Railway Administration previous to the date of handing over. The same course shall be adopted with regard to the buildings occupied at Tientsin by the British Railway Authorities, whether as offices or quarters, should the Chinese Administration be called upon to take them over.

5.—Subject to the conditions of Article 2, the fixing of rates for the conveyance of civil passengers and goods, the repairs and construction, time tables, contracts, indents for material and rolling-stock, the keeping of accounts, in short every matter, except the requisitioning of trains for the conveyance of foreign troops, horses, artillery, stores and other military impedimenta, will be entirely in the hands of the Chinese Administration, as it was previous to the line being taken possession of by the Allied Military Authorities in 1900.

6.—The accounts of the British Railway Administration from the date on which it took over charge from the German Military Head-quarters up to the date of the handing back to the Chinese Administration shall be examined and audited by two auditors, one appointed by the Officer Commanding the British Contingent in North China and the other by the Chinese Administration.

7.—No part of the lines or stations existing at the date of the signature of

† No. 1901/3, *ante*.
‡ See Note 2 to this document, *post*, p. 336.

this agreement shall be removed without communications or accommodation being first provided in lieu thereof. All such changes shall, before being carried out, be referred by the Chinese Administration to the Military Commanders through the Military Co-director and their concurrence obtained.

8.—The railway telegraph lines shall be handed over concurrently with the railways, but the military authorities shall have the right to establish a line for military purposes on the railway telegraph poles. Until this line is in working order military telegrams shall be treated in accordance with rule 12 in the annexed regulations for military traffic, precedence being given over all other messages to telegrams marked " urgent " or " clear the line " despatched by the various military commanders and the officers commanding posts and officers commanding Legation Guards.

9.—The transfer to the Chinese Administration shall take place on the same day as the Russian Military Authorities surrender the portion of the Shanhaikuan Railway Station and buildings including the bridge works and the portion of line from Shanhaikuan up to and including the bridge at the Great Wall near Shanhaikuan now held by them, and not before, or on the 1st of June, whichever is the later date.

10.—The full consent in writing of the military commanders having troops posted on the line of communications in accordance with the 9th Article of the Protocol of September 7, 1901, as well as that of the Representatives of Foreign Powers maintaining guards for their Legations at Peking shall be obtained by the Chinese Government to the transfer from the British Military Authorities to the Chinese Administration before this agreement comes into force.

Signed at Peking, this twenty-ninth day of April one thousand nine hundred and two.

(*Sgd.*)	Ernest Satow.
(*Sgd. in Chinese*)	Yuan Shih-kai.
(*Sgd. in Chinese*)	Hu Yü-fen.

Additional Agreement.

For the better management of the railways after the British Military Authorities have handed them over to the Chinese Administration, in the interests of the Chinese public revenue and of the British bondholders, the following Regulations have been agreed to by the Administrators-General Yuan and Hu in consultation with Sir Ernest Satow, His Britannic Majesty's Minister:

1.—Under the authority of Their Excellencies Yuan and Hu, the Administrators-General of the Northern Railways, the Board of Administration of the Peking-Shanhaikuan Railway shall be constituted as follows:

Managing Director;

Foreign Director;

General Manager (British) specially to control the works, foreign and native workmen, the inspection of materials, etc.;

Representative of the British and Chinese Corporation (unsalaried) specially to deliberate in important railway matters.

To assist in the transaction of international business, there shall be an English Secretary and a Chinese Translator. There shall also be a competent European storekeeper.

All appointments whatsoever of officials or employes on the railway or in the departments thereof shall be subject to the approval of the Board and of the Administrators-General.

2.—All rolling-stock, materials, etc., obtained from foreign countries for the use of the railways shall as far as possible be purchased by means of public tenders.

3.—The books shall be audited annually by a qualified accountant not connected with the railways, selected by the Representative of the British and Chinese Corporation. The results of the annual working of the railways shall be published in the same manner as the Imperial Maritime Customs Reports.

4.—It is agreed that the lines from the Chien Men at Peking to Fengtai and from Peking to Tungchow, constructed by the British Military Administration, shall be added to and form part of the railways of North China pledged as security for the loan of £2,300,000 by paragraph 3 of the Agreement between His Excellency Hu and the British and Chinese Corporation dated October 10th 1898.§

5.—Under Clause 3 of the Agreement dated October 10th 1898 it is stipulated that the construction of branch lines or extensions shall be undertaken by the Northern Railways Administration, and the intent of this stipulation is hereby confirmed in order to secure the existing interests of the railways. It is therefore agreed that the construction of any new railway within a distance of eighty miles of any portion of the existing lines, for which concessions have not been signed previous to the date of this Agreement, shall be undertaken by the Administrators-General of the Imperial Northern Railways.

Such lines as the following:

A northern line from Peking or Fengtai to the Great Wall; a chord line from Tungchow to Kuyeh or Tongshan; a line from Tientsin to Paotingfu; shall not, in view of the interests of the Imperial Northern Railways, be allowed to fall into other hands.

Signed at Peking this twenty-ninth day of April one thousand nine hundred and two.

(*Signed*) ERNEST SATOW.
(*Signed in Chinese*) YUAN SHIH-KAI. HU YÜ-FEN.

§ No. 1898/20, *ante*.

Note 1.

In connection with these agreements, see the Russo-Chinese Convention with regard to Manchuria, April 8, 1902 (No. 1902/3, *ante*), and Agreement for the restoration of the Shanhaikuan-Hsinmintun-Yink'ou Railway, September 22, 1902, printed at p. 330.

In special reference to Articles 2 and 3 of the principal agreement and Article 5 of the additional agreement, consult the following exchange of despatches between the Wai-wu Pu and the Russian Legation at Peking, as translated from the Russian versions printed in *Soglashenia,* p. 1:

Exchange of Notes between China and Russia regarding Pledging of Peking-Kalgan and other Railways north of Peking.—June 23, 1902.

"Despatch of Prince Ch'ing to Mr. Lessar, June 10/23, 1902.

"Some time ago we had the honor to receive a communication from Your Excellency in which you stated that Articles 2 and 3 of the original agreement concluded by the dignitaries Yuan and Hu with the English Minister regarding the turning over of the Peking-Tientsin-Shanhaikuan railroad lines, which Articles relate to the establishment of the office of railroad co-director, as well as Article 5, which relates to branch lines, presented various and numerous obstacles.

"Our ministry immediately solicited a supreme order directing the aforementioned dignitaries to revise (the articles in question), and we had the honor to preliminarily advise Your Excellency to that effect.

"Yesterday we received the report of the aforesaid dignitaries, as follows:

"'Articles 2 and 3 of the agreement regarding the turning over of the Peking-Tientsin-Shanhaikuan railroad lines relate to the necessity of having foreign military co-directors in questions concerning the transportation of military baggage. We dignitaries desire that, in all questions relating to the transportation of foreign baggage and articles necessary to the detachments, the heads of the Guard detachments of the Foreign Missions at Peking, as well as the higher military authorities looking after the unobstructed communication between the capital and the sea, should confer in due time and directly with the main railroad administration. As regards Article 5 of the agreement concluded on the same date in regard to the privileges of the railroad lines, which article provides that all branch lines must be constructed by the dignitaries having chief supervision over the northern railroads, we dignitaries desire to stipulate that the branches to the north of Peking, as well as the line from Peking to Chang-chia-k'ou (Kalgan), must be constructed by the Chinese Government without interference by foreigners and with Chinese capital, without the application of foreign capital for this purpose; and these lines, or the revenues derived therefrom, must never serve as security for loans placed in foreign nations. In accordance with what is set forth in the report, we request you to refer the matter to the English Minister for examination and reply.'

"Our ministry did not delay in officially communicating the circumstances of the case to the English Government.

"On June 6 last the ministry received the reply of the English Government, as follows:

"'After analysing all the points set forth in the communication of the Honorable Ministry on the basis of the deliberations of the dignitaries Yuan and Hu, I deem it my duty to remark that they are in accordance with my views and that, as a matter of course, I can give my consent to their being carried into execution.'

"Upon the receipt of the reply, our Ministry assured itself that the aforesaid dignitaries and the English Minister had revised the articles in the way desired by Your Excellency, and, upon re-examination, we amended points 2 and 3 of the Chinese-English agreement so as to provide that foreign military co-directors shall not be admitted into the railroad administration; at the same time point 5 of the supplementary agreement was amended as stated before.

"We hope that Your Excellency, having long worked for the strengthening of friendly (international) relations, will sincerely welcome the turning over by England of the Peking-Tientsin-Shanhaikuan railroad lines and that you will gladly lend your cooperation in order to confirm the sincerity of the friendly relations between China and Russia.

"As regards the communication of the Tsung-li-yamen to former Minister de Giers of May 20/June 1, 1899 [No. 1899/5, *ante*], reading as follows: 'The Chinese Government agrees that, if any additional railroads are built in future to the north of Peking or to the northeast in the direction of the Russian frontier, and unless they are built with Chinese capital by Chinese officials, if the intention is manifested of holding conferences in view of turning over the construction to a foreign nation, such intention shall be primarily discussed with the Russian Government or a Russian syndicate for the purpose of granting the concession (for the work); and the concesssion shall by no means be granted to any other

nation or to a syndicate of any other nation,' our Ministry still adheres to its original decision, in which it makes no change.

"While communicating the foregoing to Your Excellency for your examination, we have the honor to request you to answer and give your consent to carrying it into execution."

"Dispatch of Mr. Lessar to Prince Ch'ing, June 11/24, 1902.

"I had the honor to receive your communication, Honorable Prince and Dignitaries, under date of June 10/23 instant, in regard to the amendment of certain articles of the Chinese-English agreement of April 16/29 last, which articles relate to the northern railroads, and against which I deemed it my duty to protest on April 29 (May 12) on behalf of my Government.

"I very highly appreciate the feelings of genuine justice of the Honorable Ministry, which hastened to solicit a supreme order for the restoration of the rights of Russia which were violated by these articles. You inform me that, pursuant to the supreme decree issued, the dignitaries Yuan and Hu prepared the necessary amendments, which were communicated by you, Honorable Prince and Dignitaries, to the English Minister, who expressed his consent thereto.

"From the note to the English Minister as quoted in your communication as well as from the remainder of your communication itself, I am gratified to see that foreign military and civil co-directors will not be admitted in the administration of the northern railroads. I am sincerely glad of this, for if there were foreign military or civil co-directors I could only give my consent to the turning over of the road from Peking to Shanhaikuan on condition that a Russian military and civil co-director be also appointed.

"The amendment to Article 5 of the special agreement concluded on the same date, as set forth in your communication, very correctly places the question of the railroad lines to the north of the latitude of Peking and especially the line from Peking to Kalgan. You also recognize as being in full force the communication of the Tsung-li-yamen addressed to the former Minister Kammerherr de Giers on May 20/June 1st, 1899, regarding the roads north of Peking to the Russian frontier.

"In view hereof I shall not fail to report at once to my Government in regard to the happy termination of the misunderstandings which had arisen. The possibility now presents itself again of continuing untrammeled the cultivation of our friendly relations, and I on my part am ready to cooperate in the earliest possible turning over to the Chinese administration of the railroads now occupied."

Note 2.

The regulations mentioned in Article 1 are given as follows in *Wang*, p. 177.

Regulations for Military Traffic on Peking-Shanhaikwan Railway.

"1.—All kinds of railway traffic for the military purposes of all contingents will be accepted at the prices given in paragraph 8, in so far as the traffic capacity of the line permits, regard being had to the numerical strength of each contingent, including followers, in proportion to the total number of the allied troops in the Province of Chihli.

"2.—The Railway Administration is not responsible for any damage or hurt to military persons or military goods while these are being transported on the railway.

"3.—Military persons in uniform do not require to purchase tickets. With a view to the settlement of accounts between the Railway Administration and the various contingents, officers and military officials will inform the guard on duty of their destination, the number of soldiers and horses accompanying them and the number of articles of luggage, while non-commissioned officers and men must be provided with an order signed by an officer or a military official, which will serve as a pass for the journey and will be given up at the end of it to the guards on duty.

"4.—For civilians who are travelling on military duty, and who are not required to purchase tickets, a pass must be made out as above by some military authority, and provided with his Office stamp, giving the destination and the amount of the goods.

"5.—In the transport of goods, their loading, unloading, and guarding during the journey must be arranged for by the military authority despatching them.

"With every waggon-load two men, and with every living animal one man will be forwarded free on the goods trucks.

"6.—In the case of troops and goods which are to be transported as a body or in one load in the trains laid down in the timetables, at least twenty-four hours' notice must be given to the railway direction at Tientsin or at the station of despatch. Demands for

special trains are to be restricted as much as possible. Passenger special trains can only be supplied for the Commanders and Generals of the various contingents.

"7.—Everybody is bound to obey the orders of the railway officials. To facilitate communication between the railway officials and the Military persons belonging to other nations who are travelling, station officers belonging to the various contingents who represent the interests of the latter are to be found at all the larger stations.

"8.—Tariff:

	For each kilometre or part of one
"(*A*) *Persons:*—	
Officers, military officials and first class passengers	.... 2 cents
Non-commissioned officers and men and 2nd class passengers	.... 1 cent
3rd class passengers (carried in open or closed waggons)	... 0.5 cent
"(*B*) *Living Animals:*—	
A horse, a cow (If a whole waggon-load is not cheaper ....)	.... 5 cents
An ass or pony (If a whole waggon-load is not cheaper ....)	.... 3 cents
A pig, calf, sheep or goat (If a whole waggon-load is not cheaper ....)	.... 2 cents
"(*C*) *Passenger Luggage:*—	
Hand baggage, the bulk and weight of which permit its being allowed in the passenger carriage, is carried free. Passenger baggage of the usual bulk and weight, which must be carried in the luggage van is charged 5 cents for each travelling zone or part of a zone, i.e. Peking to Tientsin, Tientsin to Tongshan, Tongshan to Shanhaikuan.	
"(*D*) *Goods:*—	
A waggon-load of 30 tons	....36 cents
do 20 tons	....24 cents
do 15 tons	....18 cents
do 10 tons	....12 cents
Single articles the weight of which is attested by a military authority on a certificate provided with his office stamp for every 100 kilog. or part of the same	...0.5 cent
For goods packages not so attested after these have been weighed or judged by the railway authorities, the starting on Goods waggon of 10 tons	....12 cents
For special trains the above prices are the journey being accepted as confirming this weighing, for every 10 kilog. or part of same	...0.1 cent
[It would appear that several lines have been transposed in this and the preceding clause as printed in *Wang*, the true reading probably being as follows: For goods packages not so attested after these have been weighed or judged by the railway authorities, the starting on the journey being accepted as confirming this weighing, for every 10 kilog. or part of same	... 0.1 cent
For special trains the above prices are Goods waggons of 10 tons	...12 cents]
"(*E*) *Military carriages:*—	
Four wheeled carriage or field-gun and limber either whole or taken to pieces	....10 cents
Two wheeled carts field-guns or limbers	.... 5 cents
"(*F*) *Special waggons and special trains:*—	
Passenger carriages 1st and 2nd class	....30 cents
Luggage or guard vans	....15 cents
Goods waggon of 30 tons	....36 cents
do 20 tons	....24 cents
do 15 tons	....18 cents
to be charged, and further for the loan of a locomotive and tender 60 dollars for each day or part of a day, but at least 2 dollars for each kilometre of run and not less than 75 dollars in all.	

"9.—Hiring of locomotives and waggons:

"For the loan of the rolling-stock of the line to other Administrations, counting from the time of its transfer to their line until its return, the following prices are to be charged for each vehicle and for each twenty-four hours or part of the same:—

	Mex. Dollars.
Locomotive with three or more couples of driving wheels	20
Locomotive with two couples of driving wheels	15
Lighter Locomotives	10
Passenger carriages of all classes	1½
Luggage vans	1
Large goods waggons of 20 or more tons capacity	1½
Small goods waggons of less than 20 tons capacity	1

"10. Delays in loading and unloading:

"For loading and unloading of goods waggons which last longer than twenty-four hours after notice of the arrival of the waggon has been given, the following rates will be charged for each waggon and part of twenty-four hours:—

	Dollars.
Goods waggons of 30 tons	9
" " 20 "	6
" " 15 "	4.5
" " 10 "	3

"No change is hereby made in the rights of the Railway Administration to use for other purposes waggons which have been detained more than twenty-four hours for loading or unloading, or to cause the goods which have been loaded in them to be unloaded at the cost of the sender, and without the railway being responsible for their safe keeping.

"11. Postal arrangements:

"The military postal packages of all the allied contingents will be carried free.

"12. Utilization of the railway telegraph:

"Military telegrams will be sent along the whole line at an unit word price of 40 cents for ordinary service messages (to be marked S), and of 60 cents for urgent service messages (to be marked XS), provided that the necessity for the use of the railway's telegraph is attested by military authority with his office stamp, and that the service of the railway permits of the telegraph line being so used. Urgent service messages rank behind train reports and before line service telegrams; ordinary service messages after line service telegrams."

NUMBER 1902/5.

INTERNATIONAL AND CHINA.

Provisional Rules for defining the respective jurisdictions of the mixed courts of the International and French Settlements at Shanghai.—June 10, 1902.*

In all civil cases between Chinese the plaintiff will follow the defendant, and will sue him before the Mixed Court of his, the defendant's, residence.

2.—In all criminal cases where foreigners are not concerned and in all police cases against Chinese residents in the Settlements, the Mixed Court of the Settlement in which the crime or contravention has been committed, is alone competent.

[N. B.—The above two clauses include cases where the defendant or accused is in the employ of a foreigner, the countersignature of the Consular representative of the national concerned being as heretofore to be obtained.]

* Text as referred by Senior Consul at Shanghai to Dean of Diplomatic Body at Peking. A somewhat defective text is printed in *China, No. 2 (1903)*. These provisional rules were adopted by the Consular Body at Shanghai on June 10, 1902, and agreed to by the Shanghai Taotai on the following day: having been referred to the Diplomatic Body at Peking, they received its approval at the meeting of June 28, 1902 (*Négociations de Pékin*, etc., p. *LXII*).

3.—In mixed civil cases,

(*a.*) If the plaintiff is a foreigner—not of French nationality—and the Chinese defendant is a resident of the International Settlement, he is to be sued before the Mixed Court of the International Settlement.

(*b.*) If the plaintiff is French and the Chinese defendant is a resident of the French Settlement he is to be sued before the Mixed Court of the French Settlement.

(*c.*) If the plaintiff is a foreigner—not of French nationality—and the Chinese defendant is a resident of the French Settlement, the latter shall be sued before the Mixed Court of the International Settlement whose warrant or summons for his appearance after counter-signature by the French Consul-General will be executed or served by the runners of the International Mixed Court with the assistance of the police of the French Settlement, without previous hearing in the Mixed Court of the French Settlement.

(*d.*) If the plaintiff is French and the Chinese defendant is a resident of the International Settlement the latter shall be sued before the Mixed Court of the French Settlement whose warrant or summons for his appearance after counter-signature by the Senior Consul will be executed or served by the runners of the French Mixed Court with the assistance of the police of the International Settlement, without previous hearing in the Mixed Court of the International Settlement.

4.—In criminal cases where a foreigner—not of French nationality—is complainant, the Mixed Court of the International Settlement is competent; if a Frenchman is complainant the Mixed Court of the French Settlement is competent.

The provisions under clause 3, (*c*) and (*d*) as to executing warrants also apply under this clause.

NUMBER 1902/6.

AUSTRIA-HUNGARY, BELGIUM, DENMARK, FRANCE, GERMANY, GREAT BRITAIN, ITALY, JAPAN, THE NETHERLANDS, NORWAY, PORTUGAL, RUSSIA, SPAIN, SWEDEN, THE UNITED STATES AND CHINA.

Tariff Agreement relating to the revised import tariff, 1902.—August 29, 1902.†*

WHEREAS it was provided by the Final Protocol signed at Peking on the 7th of September 1901 (Article VI) that the existing Tariff on goods imported into

* Text as printed in *Customs*, Vol. I, p. 953, omitting the Tariff and attached Rules, which are herein printed as an Annex to the American Commercial Treaty of October 8, 1903 (No. 1903/5), at pp. 433, 449, *post*. For Tariff and Rules now in force, however, see Revised Import Tariff of 1918 (No. 1918/18, *post*).

Printed also in *Hertslet*, p. 148; *Soglashenia*, p. 80; *Traités et Conventions*, p. 163.

See Note 1 to this document, *post*, p. 340.

† In regard to date, see Note 2 to this document, *post*, p. 341.

China should be increased to an effective five per cent.; and whereas it was further provided that all Duties levied on Imports *ad valorem* should be converted as far as feasible and with the least possible delay into specific Duties, this conversion to be effected in the following manner: The average value of merchandise at the time of landing during the three years 1897, 1898, and 1899, that is to say, the market price less the amount of Import Duty and incidental expenses to be taken as the basis for the valuation of such merchandise:

The Special Commissioners of China:
and of .....:
have agreed and determined, on the basis aforesaid, upon the Tariff hereto appended together with certain Rules for the application thereof; and do hereby agree that the said Tariff and Rules shall be binding on the Governments and subjects of their respective countries.

The Tariff and Rules aforesaid shall be binding on and after the.....

Should it be ascertained hereafter that any articles have been omitted from this Tariff which it is found can be conveniently provided for on a specific basis in terms of the Final Protocol of 1901, it is understood that the necessary additions shall be made at rates to be mutually agreed upon by Representatives of the various Powers by whom this Tariff has been signed.

It is understood that, in the event of there being any difference of meaning between the English and Chinese texts of the Tariff and Rules, the sense as expressed in the English text shall be held to be the correct sense.

The present Agreement has been drawn up in two identical copies and signed by the Special Commissioners of the countries aforesaid. One copy shall be given to the Special Commissioners of China and one copy shall be given to the Special Commissioners of .....

Done at Shanghai, in the Empire of China, this.....day of..... in the year of Our Lord one thousand nine hundred and....., corresponding with the Chinese date, the.....day of the.....moon of the..... year of KUANG HSÜ.

Note 1.

In connection with this agreement see also the British commercial treaty of September 5, 1902 (No. 1902/7), and the American and Japanese commercial treaties of October 8, 1903 (Nos. 1903/4 and 1903/5, *post*); also the Revised Tariff approved by the International Tariff Commission, December 19, 1918 (No. 1918/18, *post*).

For the duty-free list, see the following copy of a despatch addressed by the foreign members of the Import Tariff Revision Commission to the Chinese Commissioners, as printed in *Customs:*

Despatch of Import Tariff Commission regarding Duty Free List.—August 29, 1902.

"SHANGHAI, 29th *August* 1902.

"YOUR EXCELLENCIES,

"WITH reference to the new Tariff which has just been signed, this note puts on record that the following words have been erased from Rule II of the Rules at the end of the Tariff:—'Samples in reasonable quantities, and certified to be for show and not for sale; Government Stationery for Consulates in China; Passengers Baggage for *bonâ fide* private use; Circulars, etc., distributed gratis, of mercantile houses; and Private Effects (not including Wines, Stores, and Tobacco) of individual foreigners imported by themselves for their own personal use and not for sale, provided that the Customs Authorities are satis-

fied that the articles in question fulfil these conditions;' and also 'Personal Baggage of less than twenty passengers and.'

"It is understood between the Foreign and Chinese Commissioners that, though the above words have been eliminated from the Rules, the matter therein referred to will be dealt with by the Inspector General of the Imperial Maritime Customs at his discretion, in accordance with the instructions issued by him subsequent to the Final Protocol of the 7th September 1901.

"We have the honour to be,
"Your Excellencies obedient Servants,
"(Signed) "HIRSCH.
"JAS. L. MACKAY.
"J. YAMAOKA.
"E. HIOKI.
"D. SIFFERT.
"ADVOCAAT" F. B. s'JACOB.
"DR. BOYE.
"D. SIFFERT.
"JOHN GOODNOW."

"DUTY FREE LIST.

"(*Vide I. G. Circulars* Nos. 979, 984, 1,016, 1,020, 1,022, 1,025, 1,026, instructions received.)

"12th October 1901 . . .	1. Foreign Rice, Cereals, and Flour; Gold and Silver, coined and uncoined.
"12th October 1901 . . .	2. Legations Supplies from abroad.
"7th November 1901 . .	3. Suplies for the use of Foreign Forces, military and naval.
"19th April 1902 . . .	4. Official Stationery actually transmitted by Foreign Government Departments for Foreign Consulates.
"1st May 1902	5. Supplies under Government Stores Certificates.
"31st May 1902	6. Materials for Railways the import of which 'free' is provided for by agreements antedating the Peace Protocol.
"10th May 1902	7. Samples, in reasonable quantities, certified for show and not for sale.
"3rd June 1902	8. Circulars, etc., distributed gratis by mercantile houses.
"12th October 1901 / "3rd June 1902 .	9. The *bonâ fide* baggage of travellers, *i.e.*, Passengers Luggage arriving either with the owner or by a vessel other than that by which the passenger travels.
"3rd June 1902	10. Clothing, Books, Pictures, and Furniture already in use when brought in by residents and not for sale.
"31st May 1902	*N.B.*—Ships Coal and Provisions are entitled to Drawbacks."

For the export tariff, see the Anglo-Chinese Agreement containing rules of trade, November 8, 1858 (*Hertslet*, p. 45).

Note 2.

The date is that of the original conclusion of the agreement: in *Customs, loc. cit.*, it is noted that the Tariff Agreement was signed by the representatives of the several Powers on the following dates:

"1902, August 29th (KUANG HSÜ, 28th year, 7th moon, 26th day), to come into effect October 31st (10th moon, 1st day):

"AUSTRIA-HUNGARY	Signed by E. VON HIRSCH (*ad referendum*).
"BELGIUM	" D. SIFFERT (*ad referendum*).
"GERMANY	" A. BOYÉ.
"GREAT BRITAIN	" SIR JAMES L. MACKAY.
"JAPAN	" E. HIOKI. M. ODAGIRI. J. YAMAOKA.
"THE NETHERLANDS	" G. D. ADVOCAAT / F. B. s'JACOB (*ad referendum*).
"SPAIN	" D. SIFFERT.
"UNITED STATES OF AMERICA	" J. GOODNOW.

"*The Representatives of China signing on the above date were—*
"LÜ HAI-HUAN.
"WU T'ING-FANG.

"1903, March 28th (KUANG HSÜ, 29th year, 2nd moon, 30th day), to come into effect April 27th (4th moon, 1st day):
"ITALY .... Signed by MAJOR C. NERAZZINI.
"RUSSIA .... " D. M. POSDNEEFF.

"1904, March 23rd (KUANG HSÜ, 30th year, 2nd moon, 7th day), to come into effect May 5th (3rd moon, 20th day):
"DENMARK .... Signed by F. HAGBERG.

"1904, March 30th (KUANG HSÜ, 30th year, 2nd moon, 14th day), to come into effect on signature:
"FRANCE .... Signed by L. RATARD.
"NORWAY } .... " F. HAGBERG.
"SWEDEN }

"1904, November 11th (KUANG HSÜ; 30th year, 10th moon, 5th day), to come into effect on signature:
"PORTUGAL .... Signed by J. D'A. CASTELLO BRANCO.

"*The Representatives of China signing on the above dates were—*
"LÜ HAI-HUAN.
"SHÊNG HSÜAN-HUAI."

NUMBER 1902/7.

GREAT BRITAIN AND CHINA.

Treaty respecting commercial relations, etc. (with Annexes.)—September 5, 1902.*

HIS Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, and His Majesty the Emperor of China, having resolved to enter into negotiations with a view to carrying out the provision contained in Article 11 of the Final Protocol signed at Peking on the 7th September, 1901, under which the Chinese Government agreed to negotiate the amendments deemed useful by the foreign Governments to the Treaties of Commerce and Navigation and other subjects concerning commercial relations with the object of facilitating them, have for that purpose named as their Plenipotentiaries, that is to say:

His Majesty the King of Great Britain and Ireland, His Majesty's Special Commissioner, Sir James Lyle Mackay, Knight Commander of the Most Eminent Order of the Indian Empire, a member of the Council of the Secretary of State for India, &c.

And His Majesty the Emperor of China, the Imperial Commissioners Lü Hai-huan, President of the Board of Public Works, &c., and Shêng Hsüan-huai, Junior Guardian of the Heir-Apparent, Senior Vice-President of the Board of Public Works, &c.

* Text as printed in British *Treaty Series, No. 17 (1903)*. Printed also in *Rockhill*, p. 102; *Customs*, Vol. I, p. 543; *Hertslet*, p. 171; *Recueil*, p. 594.
In connection with this treaty see the Tariff Agreement of August 29, 1902 (No. 1902/6, *ante*); see also Japanese and American commercial treaties of October 8, 1903 (Nos. 1903/4 and 1903/5, *post*).

Who having communicated to each other their respective full powers, and found them to be in good and due form have agreed upon and concluded the following Articles:—

ARTICLE I.†—Delay having occurred in the past in the issue of Drawback Certificates owing to the fact that those documents have to be dealt with by the Superintendent of Customs at a distance from the Customs Office, it is now agreed that Drawback Certificates shall hereafter in all cases be issued by the Imperial Maritime Customs within three weeks of the presentation to the Customs of the papers entitling the applicant to receive such Drawback Certificates.

These Certificates shall be valid tender to the Customs authorities in payment of any duty upon goods imported or exported (transit dues excepted), or shall, in the case of Drawbacks on foreign goods re-exported abroad within three years from the date of importation, be payable in cash without deduction by the Customs Bank at the place where the import duty was paid.

But if, in connection with any application for a Drawback Certificate, the Customs authorities discover an attempt to defraud the revenue, the applicant shall be liable to a fine not exceeding five times the amount of the duty whereof he attempted to defraud the Customs, or to a confiscation of the goods.

ARTICLE II.‡—China agrees to take the necessary steps to provide for a uniform national coinage which shall be legal tender in payment of all duties, taxes and other obligations throughout the Empire by British as well as Chinese subjects.

ARTICLE III.—China agrees that the duties and *likin* combined levied on goods carried by junks from Hong Kong to the Treaty ports in the Canton Province and *vice versâ,* shall together not be less than the duties charged by the Imperial Maritime Customs on similar goods carried by steamer.

ARTICLE IV.§—Whereas questions have arisen in the past concerning the right of Chinese subjects to invest money in non-Chinese enterprises and companies, and whereas it is a matter of common knowledge that large sums of Chinese capital are so invested, China hereby agrees to recognise the legality of all such investments past, present and future.

It being, moreover, of the utmost importance that all shareholders in a Joint-Stock Company should stand on a footing of perfect equality as far as mutual obligations are concerned, China further agrees that Chinese subjects who have or may become shareholders in any British Joint-Stock Company shall be held to have accepted, by the very act of becoming shareholders, the Charter of Incorporation or Memorandum and Articles of Association of such Company and regulations framed thereunder as interpreted by British Courts, and that Chinese Courts shall enforce compliance therewith by such Chinese shareholders, if a suit to that effect be entered, provided always that their liability shall not be other or greater than that of British shareholders in the same Company.

Similarly the British Government agree that British subjects investing in

† See American treaty of 1903, Article 8.
‡ See American treaty of 1903, Article 13, and Japanese treaty of 1903, Article 13.
§ See Japanese treaty of 1903, Article 4.

Chinese Companies shall be under the same obligations as the Chinese shareholders in such Companies.

The foregoing shall not apply to cases which have already been before the Courts and been dismissed.

ARTICLE V.—The Chinese Government undertake to remove within the next two years the artificial obstructions to navigation in the Canton River. The Chinese Government also agree to improve the accommodation for shipping in the harbour of Canton and to take the necessary steps to maintain that improvement, such work to be carried out by the Imperial Maritime Customs and the cost thereof to be defrayed by a tax on goods landed and shipped by British and Chinese alike according to a scale to be arranged between the merchants and Customs.

The Chinese Government are aware of the desirability of improving the navigability by steamer of the waterway between Ichang and Chungking, but are also fully aware that such improvement might involve heavy expense and would affect the interests of the population of the Provinces of Szechuen, Hunan, and Hupeh. It is, therefore, mutually agreed that until improvements can be carried out steam-ship owners shall be allowed, subject to approval by the Imperial Maritime Customs, to erect, at their own expense, appliances for hauling through the rapids. Such appliances shall be at the disposal of all vessels, both steamers and junks, subject to regulations to be drawn up by the Imperial Maritime Customs. These appliances shall not obstruct the waterway or interfere with the free passage of junks. Signal stations and channel marks where and when necessary shall be erected by the Imperial Maritime Customs. Should any practical scheme be presented for improving the waterway and assisting navigation without injury to the local population or cost to the Chinese Government, it shall be considered by the latter in a friendly spirit.‖

ARTICLE VI.¶—The Chinese Government agree to make arrangements to give increased facilities at the open ports for bonding and for repacking merchandise in bond, and, on official representation being made by the British authorities, to grant the privileges of a bonded warehouse to any warehouse which it is established to the satisfaction of the Customs authorities affords the necessary security to the revenue.

Such warehouses will be subject to regulations, including a scale of fees according to commodities, distance from custom-house and hours of working, to be drawn up by the Customs' authorities who will meet the convenience of merchants so far as is compatible with the protection of revenue.

ARTICLE VII.*—Inasmuch as the British Government afford protection to Chinese trade-marks against infringement, imitation, or colourable imitation by British subjects, the Chinese Government undertake to afford protection to British trade-marks against infringement, imitation, or colourable imitation by Chinese subjects.

The Chinese Government further undertake that the Superintendents of Northern and of Southern Trade shall establish offices within their respective

* See American treaty of 1903, Article 9, and Japanese treaty of 1903, Article 5.
‖ See Japanese treaty of 1903, Article 2.
¶ See American treaty of 1903, Article 6.

jurisdictions under control of the Imperial Maritime Customs where foreign trademarks may be registered on payment of a reasonable fee.

ARTICLE VIII.†—PREAMBLE.—The Chinese Government, recognizing that the system of levying *likin* and other dues on goods at the place of production, in transit, and at destination, impedes the free circulation of commodities and injures the interests of trade, hereby undertake to discard completely those means of raising revenue with the limitations mentioned in section 8.

The British Government, in return, consent to allow a surtax, in excess of the Tariff rates for the time being in force to be imposed on foreign goods imported by British subjects and a surtax in addition to the export duty on Chinese produce destined for export abroad or coastwise.

It is clearly understood that, after *likin* barriers and other stations for taxing goods in transit have been removed, no attempt shall be made to revive them in any form or under any pretext whatsoever; that in no case shall the surtax on foreign imports exceed the equivalent of one and a half times the import duty leviable in terms of the Final Protocol signed by China and the Powers on the 7th day of September, 1901; that payment of the import duty and surtax shall secure for foreign imports, whether in the hands of Chinese or non-Chinese subjects, in original packages or otherwise, complete immunity from all other taxation, examination or delay; that the total amount of taxation leviable on native produce for export abroad shall, under no circumstances, exceed 7½ per cent. *ad valorem*.

Keeping these fundamental principles steadily in view, the High Contracting Parties have agreed upon the following methods of procedure.

Section 1.—The Chinese Government undertake that all barriers of whatsoever kind, collecting *likin* or such like dues or duties, shall be permanently abolished on all roads, railways, and waterways in the Eighteen Provinces of China and the Three Eastern Provinces. This provision does not apply to the Native Custom-Houses at present in existence on the seaboard or waterways, at open ports, on land routes, and on land frontiers of China.

Sec. 2.—The British Government agree that foreign goods on importation, in addition to the effective 5% import duty as provided for in the Protocol of 1901, shall pay a special surtax equivalent to one and a half times the said duty to compensate for the abolition of *likin*, of transit dues in lieu of *likin*, and of all other taxation on foreign goods, and in consideration of the other reforms provided for in this Article; but this provision shall not impair the right of China to tax salt, native opium, and native produce as provided for in sections 3, 5, 6, and 8.

The same amount of surtax shall be levied on goods imported into the Eighteen Provinces of China and the Three Eastern Provinces across the land frontiers as on goods entering China by sea.

Sec. 3.—All Native Custom-Houses now existing, whether at the Open

† See American treaty of 1903, Article 4, and Japanese treaty of 1903, Article 1.
To the text of this article, as printed in British *Treaty Series, No. 17 (1903)*, is appended the following note:
"Article VIII does not come into force until other Powers have signified their acceptance of the engagements set forth therein with regard to the payment of surtaxes, etc."

Ports, on the seaboard, on rivers, inland waterways, land routes or land frontiers, as enumerated in the Hu Pu and Kung Pu *Tse Li* (Regulations of the Boards of Revenue and Works) and *Ta Ch'ing Hui Tien* (Dynastic Institutes), may remain; a list of the same, with their location, shall be furnished to the British Government for purposes of record.

Wherever there are Imperial Maritime Custom-Houses, or wherever such may be hereafter placed, Native Custom-Houses may be also established; as well as at any points either on the seaboard or land frontiers.

The location of Native Custom-Houses in the Interior may be changed as the circumstances of trade seem to require, but any change must be communicated to the British Government, so that the list may be corrected; the originally stated number of them shall not, however, be exceeded.

Goods carried by junks or sailing-vessels trading to or from Open Ports shall not pay lower duties than the combined duties and surtax on similar cargo carried by steamers.

Native produce, when transported from one place to another in the Interior, shall, on arrival at the first Native Custom-House after leaving the place of production, pay duty equivalent to the export surtax mentioned in Section 7.

When this duty has been paid, a certificate shall be given which shall describe the nature of the goods, weight, number of packages, &c., amount of duty paid, and intended destination. This certificate, which shall be valid for a fixed period of not less than one year from the date of payment of duty, shall free the goods from all taxation, examination, delay, or stoppage at any other Native Custom-Houses passed *en route*.

If the goods are taken to a place not in the foreign settlements or concessions of an Open Port, for local use, they become there liable to the Consumption Tax described in Section 8.

If the goods are shipped from an Open Port, the certificate is to be accepted by the Custom-House concerned, in lieu of the export surtax mentioned in Section 7.

Junks, boats, or carts shall not be subjected to any taxation beyond a small and reasonable charge, paid periodically at a fixed annual rate. This does not exclude the right to levy, as at present, tonnage (Chuan Chao) and port dues (Chuan Liao) on junks.

Sec. 4.—Foreign opium duty and present *likin*—which latter will now become a surtax in lieu of *likin*—shall remain as provided for by existing Treaties.

Sec. 5.—The British Government have no intention whatever of interfering with China's right to tax native opium, but it is essential to declare that, in her arrangements for levying such taxation, China will not subject other goods to taxation, delay, or stoppage.

China is free to retain at important points on the borders of each province—either on land or water—offices for collecting duty on native opium, where duties or contributions leviable shall be paid in one lump sum; which payment shall cover taxation of all kinds within that province. Each cake of opium will have a stamp affixed as evidence of duty payment. Excise officers and police may be employed

in connection with these offices; but no barriers or other obstructions are to be erected, and the Excise officers or police of these offices shall not stop or molest any other kind of goods, or collect taxes thereon.

A list of these offices shall be drawn up and communicated to the British Government for record.

Sec. 6.—*Likin* on salt is hereby abolished and the amount of said *likin* and of other taxes and contributions shall be added to the salt duty, which shall be collected at place of production or at first station after entering the province where it is to be consumed.

The Chinese Government shall be at liberty to establish salt reporting offices at which boats conveying salt which is being moved under salt passes or certificates may be required to stop for purposes of examination and to have their certificates *visé'd,* but at such offices no *likin* or transit taxation shall be levied and no barriers or obstructions of any kind shall be erected.

Sec. 7.—The Chinese Government may recast the Export Tariff with specific duties as far as practicable, on a scale not exceeding 5 per cent. *ad valorem;* but existing export duties shall not be raised until at least six months' notice has been given.

In cases where existing export duties are above 5 per cent. they shall be reduced to not more than that rate.

An additional special surtax of one half the export duty payable for the time being, in lieu of internal taxation and *likin,* may be levied at time of export on goods exported either to foreign countries or coastwise.

In the case of silk, whether hand or filature reeled, the total export duty shall not exceed a specific rate equivalent to not more than 5 per cent. *ad valorem.* Half of this specific duty may be levied at the first Native Custom-House in the interior which the silk may pass and in such case a certificate shall be given as provided for in Section 3, and will be accepted by the Custom-House concerned at place of export in lieu of half the export duty. Cocoons passing Native Custom-Houses shall be liable to no taxation whatever. Silk not exported but consumed in China is liable to the Consumption Tax mentioned and under conditions mentioned in Section 8.

Sec. 8.—The abolition of the *likin* system in China and the abandonment of all other kinds of internal taxation on foreign imports and on exports will diminish the revenue materially. The surtax on foreign imports and exports and on coastwise exports is intended to compensate in a measure for this loss of revenue, but there remains the loss of *likin* revenue on internal trade to be met, and it is therefore agreed that the Chinese Government are at liberty to impose a Consumption Tax on articles of Chinese origin not intended for export.

This tax shall be levied only at places of consumption and not on goods while in transit, and the Chinese Government solemnly undertake that the arrangements which they may make for its collection shall in no way interfere with foreign goods or with native goods for export. The fact of goods being of foreign origin shall of itself free them from all taxation, delay, or stoppage, after having passed the Custom-House.

Foreign goods which bear a similarity to native goods shall be furnished

by the Custom-House, if required by the owner, with a protective certificate for each package, on payment of import duty and surtax, to prevent the risk of any dispute in the interior.

Native goods brought by junks to Open Ports, if intended for local consumption—irrespective of the nationality of the owner of the goods—shall be reported at the Native Custom-House only, where the Consumption Tax may be levied.

China is at liberty to fix the amount of this (Consumption) tax, which may vary according to the nature of the merchandise concerned, that is to say, according as the articles are necessaries of life or luxuries; but it shall be levied at a uniform rate on goods of the same description, no matter whether carried by junk, sailing-vessel, or steamer. As mentioned in Section 3, the Consumption Tax is not to be levied within foreign settlements or concessions.

Sec. 9.—An excise equivalent to double the import duty as laid down in the Protocol of 1901 is to be charged on all machine-made yarn and cloth manufactured in China, whether by foreigners at the Open Ports or by Chinese anywhere in China.

A rebate of the import duty and two-thirds of the Import Surtax is to be given on raw cotton imported from foreign countries, and of all duties, including Consumption Tax, paid on Chinese raw cotton used in mills in China.

Chinese machine-made yarn or cloth having paid excise is to be free of Export Duty, Export Surtax, Coast-Trade Duty, and Consumption Tax. This Excise is to be collected through the Imperial Maritime Customs.

The same principle and procedure are to be applied to all other products of foreign type turned out by machinery, whether by foreigners at the Open Ports or by Chinese anywhere in China.

This stipulation is not to apply to the out-turn of the Hanyang and Ta Yeh Iron Works in Hupeh and other similar existing Government works at present exempt from taxation; or to that of Arsenals, Government Dockyards, or establishments of that nature for Government purposes which may hereafter be erected.

Sec. 10.—A member or members of the Imperial Maritime Customs Foreign Staff shall be selected by each of the Governors-General and Governors, and appointed, in consultation with the Inspector-General of Imperial Maritime Customs to each province for duty in connection with Native Customs Affairs, Consumption Tax, Salt and Native Opium Taxes. These officers shall exercise an efficient supervision of the working of these departments, and in the event of their reporting any case of abuse, illegal exaction, obstruction to the movement of goods, or other cause of complaint, the Governor-General or Governor concerned will take immediate steps to put an end to same.

Sec. 11.—Cases where illegal action as described in this Article is complained of shall be promptly investigated by an officer of the Chinese Government of sufficiently high rank, in conjunction with a British officer and an officer of the Imperial Maritime Customs, each of sufficient standing; and in the event of its being found by a majority of the investigating officers that the complaint is well founded and loss has been incurred, due compensation is to be at once

paid from the Surtax funds, through the Imperial Maritime Customs at the nearest open port. The High Provincial Officials are to be held responsible that the officer guilty of the illegal action shall be severely punished and removed from his post.

If the complaint turns out to be without foundation complainant shall be held responsible for the expenses of the investigation.

His Britannic Majesty's Minister will have the right to demand investigation where from the evidence before him he is satisfied that illegal exactions or obstructions have occurred.

Sec. 12—The Chinese Governent agree to open to foreign trade, on the same footing as the places opened to foreign trade by the Treaties of Nanking and Tientsin, the following places namely:—

Ch'angsha in Hunan;‡
Wanhsien in Szechuen;
Nganking in Anhui;
Waichow (Hui-chow) in Kuangtung; and
Kongmoon (Chiang-mên) in Kuangtung.§

Foreigners residing in these Open Ports are to observe the Municipal and Police Regulations on the same footing as Chinese residents, and they are not to be entitled to establish Municipalities and Police of their own within the limits of these Treaty ports except with the consent of the Chinese authorities.

If this Article does not come into operation the right to demand under it the opening of these ports, with the exception of Kongmoon, which is provided for in Article X, shall lapse.

Sec. 13.—Subject to the provisions of Section 14, the arrangements provided for in this Article are to come into force on the 1st January, 1904.

By that date all *likin* barriers should be removed and officials employed in the collection of taxes and dues prohibited by this Article shall be removed from their posts.

Sec. 14.—The condition on which the Chinese Government enter into the present engagement is that all Powers entitled to most-favoured-nation treatment in China enter into the same engagements as Great Britain with regard to the payment of surtaxes and other obligations imposed by this Article on His Britannic Majesty's Government and subjects.

The conditions on which His Britannic Majesty's Government enter into the present engagement are:—

(1.) That all Powers who are now or who may hereafter become entitled to most-favoured-nation treatment in China enter into the same engagements;

(2.) And that their assent is neither directly nor indirectly made dependent on the granting by China of any political concession, or of any exclusive commercial concession.

Sec. 15.—Should the Powers entitled to most-favoured-nation treatment by China have failed to agree to enter into the engagements undertaken by Great Britain under this Article by the 1st January, 1904, then the provisions of the

‡ See Japanese treaty of 1903, Article 10, § 2.
§ See Kongmoon Customs Regulations of March 25, 1904.

Article shall only come into force when all the Powers have signified their acceptance of these engagements.

Sec. 16.—When the abolition of *likin* and other forms of internal taxation on goods as provided for in this Article has been decided upon and sanctioned, an Imperial Edict shall be published in due form on yellow paper and circulated, setting forth the abolition of all *likin* taxation, *likin* barriers and all descriptions of internal taxation on goods, except as provided for in this Article.

The Edict shall state that the Provincial High Officials are responsible that any official disregarding the letter or spirit of its injunction shall be severely punished and removed from his post.

Article IX.‖—The Chinese Government, recognizing that it is advantageous for the country to develop its mineral resources, and that it is desirable to attract foreign as well as Chinese capital to embark in mining enterprises, agree within one year from the signing of this Treaty to initiate and conclude the revision of the existing Mining Regulations. China will, with all expedition and earnestness, go into the whole question of Mining Rules and, selecting from the Rules of Great Britain, India, and other countries, regulations which seem applicable to the condition of China, she will recast her present Mining Rules in such a way as, while promoting the interests of Chinese subjects and not injuring in any way the sovereign rights of China, shall offer no impediment to the attraction of foreign capital or place foreign capitalists at a greater disadvantage that they would be under generally accepted foreign Regulations.

Any mining concession granted after the publication of these new Rules shall be subject to their provisions.

Article X.¶—Whereas in the year 1898 the Inland Waters of China were opened to all such steam-vessels, native or foreign, as might be especially registered for that trade at the Treaty ports, and whereas the Regulations dated the 28th July, 1898, and Supplementary Rules dated September, 1898, have been found in some respects inconvenient in working, it is now mutually agreed to amend them and to annex such new Rules to this Treaty. These Rules shall remain in force until altered by mutual consent.

It is further agreed that Kongmoon shall be opened as a Treaty port, and that, in addition to the places named in the special Article of the Burmah Convention of the 4th February, 1897, British steamers shall be allowed to land or ship cargo and passengers, under the same regulations as apply to the "Ports of Call" on the Yang-tsze River, at the following "Ports of Call": Pak Tau Hau (Pai-t'u k'ou), Lo Ting Hau (Lo-ting k'ou), and Do Sing (Tou-ch'êng); and to land or discharge passengers at the following ten passenger landing stages on the West River:—Yung Ki (Jung-chi), Mah Ning (Ma-ning), Kau Kong (Chiu-chiang), Kulow (Ku-lao), Wing On (Yung-an), How Lik (Hou-li), Luk Pu (Lu-pu), Yuet Sing (Yüeh-ch'eng), Luk To (Lu-tu), and Fung Chuen (Fêng-ch'uan).

‖ See American treaty of 1903, Article 7.

¶ See American treaty of 1903, Article 12, and Japanese treaty of 1903, Article 3. For Regulations and Supplementary Rules, see No. 1898/17, *ante*. For Kongmoon Customs Regulations, March 25, 1904, see No. 1904/1, *post*. For West River Regulations, July 30, 1904, see No. 1904/3, *post*.

ARTICLE XI.*—His Britannic Majesty's Government agree to the prohibition of the general importation of morphia into China, on condition, however, that the Chinese Government will allow of its importation, on payment of the Tariff import duty and under special permit, by duly qualified British medical practitioners and for the use of hospitals, or by British chemists and druggists who shall only be permitted to sell it in small quantities and on receipt of a requisition signed by a duly qualified foreign medical practitioner.

The special permits above referred to will be granted to an intending importer on his signing a bond before a British Consul guaranteeing the fulfilment of these conditions. Should an importer be found guilty before a British Consul of a breach of his bond, he will not be entitled to take out another permit. Any British subject importing morphia without a permit shall be liable to have such morphia confiscated.

This Article will come into operation on all other Treaty Powers agreeing to its conditions, but any morphia actually shipped before that date will not be affected by this prohibition.

The Chinese Government, on their side, undertake to adopt measures at once, to prevent the manufacture of morphia in China.

ARTICLE XII.†—China having expressed a strong desire to reform her judicial system and to bring it into accord with that of Western nations, Great Britain agrees to give every assistance to such reform, and she will also be prepared to relinquish her extra-territorial rights when she is satisfied that the state of the Chinese laws, the arrangement for their administration, and other considerations warrant her in so doing.

ARTICLE XIII.—The missionary question in China being, in the opinion of the Chinese Government, one requiring careful consideration, so that, if possible, troubles such as have occurred in the past may be averted in the future, Great Britain agrees to join in a Commission to investigate this question, and, if possible, to devise means for securing permanent peace between converts and non-converts, should such a Commission be formed by China and the Treaty Powers interested.

ARTICLE XIV.—Whereas under Rule V appended to the Treaty of Tientsin of 1858, British merchants are permitted to export rice and all other grain from one port of China to another under the same conditions in respect of security as copper "cash," it is now agreed that in cases of expected scarcity or famine from whatsoever cause in any district, the Chinese Government shall, on giving twenty-one days' notice, be at liberty to prohibit the shipment of rice and other grain from such district.

Should any vessel specially chartered to load rice or grain previously contracted for, have arrived at her loading port prior to or on the day when a notice of prohibition to export comes into force she shall be allowed an extra week in which to ship her cargo.

If, during the existence of this prohibition, any shipment of rice or grain is allowed by the authorities, the prohibition shall, *ipso facto,* be considered cancelled and shall not be reimposed until six weeks' notice has been given.

* See American treaty of 1903, Article 14.
† See American treaty of 1903, Article 15, and Japanese treaty of 1903, Article 11.

When a prohibition is notified, it will be stated whether the Government have any Tribute or Army Rice which they intend to ship during the time of prohibition, and if so, the quantity shall be named.

Such rice shall not be included in the prohibition, and the Customs shall keep a record of any Tribute or Army Rice so shipped or landed.

The Chinese Government undertake that no rice, other than Tribute or Army Rice belonging to the Government, shall be shipped during the period of prohibition.

Notifications of prohibitions, and of the quantities of Army or Tribute Rice for shipment shall be made by the Governors of the provinces concerned.

Similarly, notifications of the removals of prohibitions shall be made by the same authorities.

The export of rice and other grain to foreign countries remains prohibited.

ARTICLE XV.‡—It is agreed that either of the High Contracting Parties to this Treaty may demand a revision of the Tariff at the end of ten years; but if no demand be made on either side within six months after the end of the first ten years, then the Tariff shall remain in force for ten years more, reckoned from the end of the preceding ten years; and so it shall be at the end of each successive ten years.

Any Tariff concession which China may hereafter accord to articles of the produce or manufacture of any other State shall immediately be extended to similar articles of the produce or manufacture of His Britannic Majesty's Dominions by whomsoever imported.

Treaties already existing between the United Kingdom and China shall continue in force in so far as they are not abrogated or modified by stipulations of the present Treaty.

ARTICLE XVI.—The English and Chinese texts of the present Treaty have been carefully compared, but in the event of there being any difference of meaning between them, the sense as expressed in the English text shall be held to be the correct sense.

The ratifications of this Treaty, under the hand of his Majesty the King of Great Britain and Ireland, and of His Majesty the Emperor of China respectively, shall be exchanged at Peking within a year from this day of signature.§

In token whereof the respective Plenipotentiaries have signed and sealed this Treaty, two copies in English and two in Chinese.

Done at Shanghai this 5th day of September in the year of our Lord 1902; corresponding with the Chinese date, the 4th day of the 8th moon of the 28th year of Kwang Hsü.

(L.S.) JAS. L. MACKAY.

(Signature of his Excellency Lü Hai-huan.)
(Signature of his Excellency Shêng Hsüan-huai.)

(Seal of the Chinese Plenipotentiaries.)

‡ See American treaty of 1903, Articles 5 and 17, and Japanese treaty of 1903, Articles 1 and 9.

§ Ratifications exchanged at Peking, July 28, 1903.

Annex A (1).

(Translation.)
Lü, President of the Board of Works:
Shêng, Junior Guardian of the Heir-Apparent, Vice-President of the Board of Works; Imperial Chinese Commissioners, for dealing with questions connected with the Commercial Treaties, to
Sir James Mackay, His Britannic Majesty's Special Commissioner for the discussion of Treaty matters.

Shanghai: K. H. xxviii, *7th moon, 11th day. (received August* 15, 1902).

We have the honour to inform you that we have received the following telegram from his Excellency Liu, Governor-General of the Liang Chiang, on the subject of clause 2, mutually agreed upon by us:

"As regards this clause, it is necessary to insert therein a clear stipulation, to the effect that, no matter what changes may take place in the future, all customs duties must continue to be calculated on the basis of the existing higher rate of the Haikwan Tael over the Treasury Tael, and that the 'touch' and weight of the former must be made good."

As we have already arranged with you that a declaration of this kind should be embodied in an official Note, and form an Annex to the present Treaty, for purposes of record, we hereby do ourselves the honour to make this communication.

(Seal of the Imperial Commissioners for dealing with questions connected with Treaty Revision.)

Annex A (2).

Gentlemen, *Shanghai, August* 18, 1902.

I have the honour to acknowledge the receipt of your despatch of the 14th instant forwarding copy of a telegram from his Excellency Liu, Governor-General of the Liang Chiang, on the subject of Article II. of the new Treaty, and in reply I have the honour to state that his Excellency's understanding of the Article is perfectly correct.

I presume the Chinese Government will make arrangements for the coinage of a national silver coin of such weight and touch as may be decided upon by them. These coins will be made available to the public in return for a quantity of silver bullion of equivalent weight and fineness plus the usual mintage charge.

The coins which will become the national coinage of China will be declared by the Chinese Government to be legal tender in payment of Customs duty and in discharge of obligations contracted in Haikwan taels, but only at their proportionate value to the Haikwan tael, whatever that may be.

I have, &c.
(Signed) Jas. L. Mackay.

Their Excellencies
Lü Hai-huan and Shêng Hsüan-huai,
&c. &c. &c.

Annex B (1).

(Translation.)
Lü, President of the Board of Works;
Shêng, Junior Guardian of the Heir-Apparent, Vice-President of the Board of Works; Imperial Chinese Commissioners for dealing with questions connected with the Commercial Treaties, to
Sir James L. Mackay, His Britannic Majesty's Special Commissioner.

Shanghai, September 2, 1902.

We have the honour to inform you that on the 22nd August, we, in conjunction with the Governors-General of the Liang Chiang and the Hu-kuang Provinces, their Excellencies Liu and Chang, addressed the following telegraphic Memorial to the Throne:—

"Of the revenue of the different Provinces derived from *likin* of all kinds, a portion is appropriated for the service of the foreign loans, a portion for the Peking Government, and the balance is reserved for the local expenditure of the Provinces concerned.

"In the negotiations now being conducted with Great Britain for the amendment of the Commercial Treaties, a mutual arrangement has been come to providing for the imposition of additional taxes, in compensation for the abolition of all kinds of *likin* and other imposts on goods, prohibited by Article VIII. After payment of interest and sinking fund on the existing foreign loan, to the extent to which *likin* is thereto pledged, these additional taxes shall be allocated to the various Provinces to make up deficiences and replace revenue, in order that no hardships may be entailed on them. With a view to preserving the original intention underlying the proposal to increase the duties in compensation for the loss of revenue derived from *likin* and other imposts on goods, it is further stipulated that the surtaxes shall not be appropriated for other purposes, shall not form part of the Imperial Maritime Customs revenue proper, and shall in no case be pledged as security for any new foreign loan.

"It is therefore necessary to memoralize for the issue of an Edict, giving effect to the above stipulations and directing the Board of Revenue to find out what proportion of the provincial revenues derived from *likin* of all kinds, now about to be abolished, each Province has hitherto had to remit, and what proportion it has been entitled to retain, so that, when the Article comes into operation, due apportionment may be made accordingly, thus providing the Provinces with funds available for local expenditure, and displaying equitable and just treatment towards all."

On the 1st instant an Imperial Decree "Let action, as requested, be taken" was issued, and we now do ourselves the honour reverently to transcribe the same for your information.

(Seal of the Imperial Commissioners for dealing with questions connected with Treaty Revision.)

Annex B (2).

Gentlemen, *Shanghai, September 5th*, 1902.

I have the honour to acknowledge the receipt of your despatch of the 2nd instant forwarding the text of the Memorial and Decree dealing with the disposal of the surtaxes.

I understand that the surtaxes in addition to not being pledged for any new foreign loan are not to be pledged to, or held to be security for, liabilities already contracted by China except in so far as *likin* revenue has already been pledged to an existing loan.

I also understand from the Memorial that the whole of the surtaxes provided by Article VIII of the New Treaty goes to the Provinces in proportions to be agreed upon between them and the Board of Revenue, but that out of these surtaxes each Province is obliged to remit to Peking the same contribution as that which it has hitherto remitted out of its *likin* collections, and that the Provinces also provide as hitherto out of these surtax funds whatever may be necessary for the service of the foreign loan to which *likin* is partly pledged.

I hope your Excellencies will send me a reply to this despatch and that you will agree to this correspondence forming part of the Treaty as an Annex.

I have, &c.
(Signed) Jas. L. Mackay.

Their Excellencies
Lü Hai-huan and Shêng Hsüan-huai,
&c. &c. &c.

Annex B (3).

(Translation.)

Lü, President of the Board of Works;
Shêng, Junior Guardian of the Heir-Apparent, Vice-President of the Board of Works;
Imperial Chinese Commissioners for dealing with questions connected with the Commercial Treaties, to
Sir James L. Mackay, His Britannic Majesty's Special Commissioner.

Shanghai, September 5th, 1902.

We have the honour to acknowledge the receipt of your communication of to-day's date with regard to the allocation of the surtax funds allotted to the Provinces, and to inform you that the views therein expressed are the same as our own.

We would, however, wish to point out that, were the whole amount of the allocation due paid over to the Provinces, unnecessary expense would be incurred in the retransmission by them of such portions thereof as would have to be remitted to Peking in place of the contributions hitherto payable out of *likin* revenue. The amount, therefore, of the allocation due to the Provinces, arranged between them and the Board of Revenue, will be retained in the hands of the Maritime Customs, who will await the instructions of the Provinces in regard to the remittance of such portion thereof as may be necessary to fulfil their obligations, and (on receipt of these instructions) will send forward the amount direct. The balance will be held to the order of the Provinces.

In so far as *likin* is pledged to the service of the 1898 Loan, a similar method of procedure will be adopted.

As you request that this correspondence be annexed to the Treaty, we have th honour to state that we see no objection to this being done.

(Seal of the Imperial Commissioners for dealing with questions connected with Treaty Revision.)

Annex C.

Inland Waters Steam Navigation.

Additional Rules.

1.—British steam ship owners are at liberty to lease warehouses and jetties on the banks of waterways from Chinese subjects for a term not exceeding twenty-five years, with option of renewal on terms to be mutually arranged. In cases where British merchants are unable to secure warehouses and jetties from Chinese subjects on satisfactory terms, the local officials, after consultation with the Minister of Commerce, shall arrange to provide these on renewable lease as above mentioned at current equitable rates.

2.—Jetties shall only be erected in such positions that they will not obstruct the inland waterway or interfere with navigation, and with the sanction of the nearest Commissioner of Customs; such sanction, however, shall not be arbitrarily withheld.

3.—British merchants shall pay taxes and contributions on these warehouses and jetties on the same footing as Chinese proprietors of similar properties in the neighbourhood. British merchants may only employ Chinese agents and staff to reside in warehouses so leased at places touched at by steamers engaged in inland traffic to carry on their business; but British merchants may visit these places from time to time to look after their affairs. The existing rights of Chinese jurisdiction over Chinese subjects shall not by reason of this clause be diminished or interfered with in any way.

4.—Steam vessels navigating the inland waterways of China shall be responsible for loss caused to riparian proprietors by damage which they may do to the banks or works on them and for the loss which may be caused by such damage. In the event of China desiring to prohibit the use of some particular shallow waterway by launches, because there is reason to fear that the use of it by them would be likely to injure the banks and cause damage to the adjoining country, the British authorities, when appealed to, shall, if satisfied of the validity of the objection, prohibit the use of that waterway by British launches, provided that Chinese launches are also prohibited from using it.

Both Foreign and Chinese launches are prohibited from crossing dams and weirs at present in existence on inland waterways where they are likely to cause injury to such works, which would be detrimental to the water service of the local people.

5.—The main object of the British Government in desiring to see the inland waterways of China opened to steam navigation being to afford facilities for the rapid transport of both foreign and native merchandise, they undertake to offer no impediment to the transfer to a Chinese Company and the Chinese flag of any British Steamer which may now or hereafter be employed on the inland waters of China, should the owner be willing to make the transfer.

In event of a Chinese company registered under Chinese law being formed to run steamers on the inland waters of China the fact of British subjects holding shares in such a company shall not entitle the steamers to fly the British flag.

6.—Registered steamers and their tows are forbidden, just as junks have always been forbidden, to carry contraband goods. Infraction of this rule will entail the penalties prescribed in the Treaties for such an offence, and cancellation of the Inland Waters Navigation Certificate carried by the vessels, which will be prohibited from thereafter plying on inland waters.

7.—As it is desirable that the people living inland should be disturbed as little as possible by the advent of steam vessels to which they are not accustomed, inland waters

not hitherto frequented by steamers shall be opened as gradually as may be convenient to merchants and only as the owners of steamers may see prospect of remunerative trade.

In cases where it is intended to run steam vessels on waterways on which such vessels have not hitherto run, intimation shall be made to the Commissioner of Customs at the nearest open port who shall report the matter to the Ministers of Commerce. The latter in conjunction with the Governor-General or Governor of the Province, after careful consideration of all the circumstances of the case, shall at once give their approval.

8.—A registered steamer may ply within the waters of a port, or from one open port or ports to another open port or ports, or from one open port or ports to places inland, and thence back to such port or ports. She may, on making due report to the Customs, land or ship passengers or cargo at any recognized places of trade passed in the course of the voyage; but may not ply between inland places exclusively except with the consent of the Chinese Government.

9.—Any cargo and passenger boats may be towed by steamers. The helmsman and crew of any boat towed shall be Chinese. All boats, irrespective of ownership, must be registered before they can proceed inland.

10.—These Rules are supplementary to the Inland Steam Navigation Regulations of July and September, 1898. The latter, where untouched by the present Rules, remain in full force and effect; but the present Rules hold in the case of such of the former Regulations as the present Rules affect. The present Rules, and the Regulations of July and September, 1898, to which they are supplementary, are provisional, and may be modified, as circumstances require, by mutual consent.

Done at Shanghai this 5th day of September in the year of our Lord, 1902; corresponding with the Chinese date, the 4th day of the 8th moon of the 28th year of Kwang Hsü.

(L.S.) Jas. L. Mackay.

(Signature of his Excellency Lü Hai-huan.)
(Signature of his Excellency Shêng Hsüan-huai.)

(Seal of the Chinese Plenipotentiaries.)

NUMBER 1902/8.

RUSSIA (Russo-Chinese Bank) AND CHINA.

Loan Contract and Operating Contract for the Chengtingfu-Taiyuanfu Railway. —October 15, 1902.*

(*I*)—*Loan Contract.*

Between the undersigned:

(1) The Imperial Chinese Railway Company, represented by H. E. Sheng Hsüan-huai, its Director General, duly empowered by the Chinese Government;

(2) The Russo-Chinese Bank, represented by Mr. C. R. Wehrung, one of its Directors, with full powers, acting for said Bank;

It has been agreed and settled as follows:

Article I.—Under the terms of the Imperial Edict of July 8, 1897, and May 17, 1898, i. e., the 9th day of the 6th moon of the 23d year, and the 24th day of the 3d moon of the 24th year of the reign of Kuang Hsü, the Governor

* Translation from French versions, as printed in *Wang*, pp. 187, 211, of the Chinese texts. Extracts from the Loan Contract are printed in *Rockhill*, p. 313.

The terms of these contracts are, *mutatis mutandis*, almost identical with those of the Kaifengfu-Honanfu Railway Contracts of November 12, 1903 (No. 1903/7, *post*).

The Chengtingfu-Taiyuanfu Railway is generally known, from the first characters of the names, as the *Cheng-Tai* Railway.

and the Director of the Commercial Bank of Shansi were authorized to sign a loan contract with the Russo-Chinese Bank for the building of a railway from Chengtingfu to Taiyuanfu.

This line, having a length of about 250 kilometers, forms a natural branch of the Hankow-Peking line; consequently the Governor of Shansi, in a report dated June 25, 1902, i. e., the 18th day of the 5th moon of the 28th year of the reign of H. M. Kuang Hsü, proposed to the Chinese Government to instruct the Director of the Imperial Chinese Railway Company to personally take up the matter.

The recommendation was approved, and H. E. Sheng Hsüan-huai, Director General of the Imperial Chinese Railway Company, received instructions from the Chinese Government, in virtue of a Decree of September 7, 1902, i. e., the 6th day of the 7th moon of the 28th year of the reign of Kuang Hsü, as a consequence of a joint report presented by the Wai-wu Pu and the Central Bureau of Mines and Railways, to negotiate a new loan contract for said railway with the Russo-Chinese Bank. Before signing the present contract, H. E. Sheng Hsüan-huai has submitted it for ratification by the Chinese Government which has ratified it by a decree of October 13, 1902, i. e., the 14th day of the 9th moon of the 26th year of the reign of H. M. Kuang Hsü, of which a copy is annexed to the present contract (Annex No. 1).

Under the terms of this edict, H. E. Sheng Hsüan-huai has decided to make a Government 5% foreign gold loan of a nominal principal of 40,000,000 francs.

This loan will be known as the Chinese 5% Loan of 1902 (i. e., *Emprunt Chinois* 5%, 1902).

It is understood that the present contract, upon its signature, will annul all previous contracts concerning the railway from Chengtingfu to Taiyuanfu, signed by the Governor of Shansi in favor of the Russo-Chinese Bank.†

ARTICLE II.—This Loan will be represented by 80,000 bonds of 500 francs gold.

These bonds, the text of which is annexed (Annex No. 2) to the present contract, will be signed in the name of the Imperial Chinese Government by the Minister Plenipotentiary of China at Paris, under due instructions of his Government.

They will be issued in blocks (i.e., *coupures*) of from 1 to 5 bonds, in such proportions as the Russo-Chinese Bank shall indicate, and will be prepared at the latter's expense.

They will bear 5% interest per annum on the nominal principal, payable in gold.

Interest will run from the day of payment of instalments (i. e., *du jour des versements*), and will be payable September 1st and March 1st, each year.

Matured and paid coupons will be classified in numerical order by the Russo-Chinese Bank and at its expense.

ARTICLE III.—The Loan will be redeemed in twenty years, counting from the tenth year of issue, by the method of drawing lots, annually, at Paris in the

† See Note to this document, *post*, p. 367.

offices of the Russo-Chinese Bank, in accordance with the table annexed to the present Contract (Annex No. 3).

The drawings of lots will take place on the second Tuesday of January, each year; the first drawing will take place on that date, beginning with the tenth year after the issue of the Loan.

The numbers of the bonds drawn will be published in four newspapers at the expense of the Russo-Chinese Bank.

ARTICLE IV.—The bonds drawn by lot will be paid in gold at their nominal value, on the date of the coupon falling due next after the drawing.

Bonds presented for repayment must have attached all coupons not yet paid, and the amount of missing coupons will be deducted from the principal to be repaid.

Interest on bonds will cease to run from the day set for repayment.

Paid bonds will be classified by the Russo-Chinese Bank and at its expense.

ARTICLE V.—The Imperial Chinese Government denies itself the right to undertake, before September 1, 1911, an increase of the rate of amortization, or a repayment of the whole amount of the Loan, or its conversion. After that date, it will be free to repay the Loan at any time whatsoever, before the due dates, and once the repayment is effected, the Contract will be declared cancelled.

ARTICLE VI.—Coupons and amortized bonds will be payable in francs, in Paris, in the offices of the Russo-Chinese Bank or of the institutions which that Bank may designate.

ARTICLE VII.—The payment of interest and the repayment of bonds provided for in the present Loan are guaranteed by the general revenues of the Imperial Chinese Government.

Furthermore, in virtue of the authorization already given by the Chinese Government, and by agreement with it, the Imperial Chinese Railway Company declares that it makes a special preferential assignment for the payment of interest and principal of the present Loan, and consequently grants and assigns in favor of the said obligations all the net revenue of the line from Chengtingfu to Taiyuanfu, after the regular payment of all expenses of management and operation, in full, as is elsewhere indicated in an Operating Agreement concluded between the Imperial Chinese Railway Company and the Russo-Chinese Bank, which Agreement is annexed hereto and forms an integral part of the Contract.

This assignment is made exclusively and irrevocably until the complete redemption of the bonds of the present Loan.

ARTICLE VIII.—After having noted the amount of the net receipts, the Imperial Chinese Railway Company will direct the Russo-Chinese Bank to convert into gold, to the best advantage of the Imperial Chinese Railway Company, up to the amount necessary to assure the service of the Loan at the next semi-annual due-date, the funds derived from the net revenues from operation.

Transfers to the branch of the Russo-Chinese Bank in Paris will continue until the amount necessary for the entire service of the Loan at the following

semi-annual due-date has been realized in gold, and in such manner that that service is assured at least three months before that semi-annual due-date.

The depositaries will make use of these sums in the manner most advantageous to the interests of the Imperial Chinese Railway Company.

The account into which these sums are paid will be debited, twenty days before the semi-annual due-date, with the amount necessary for the service of the Loan, interest, amortization, transfer charges and commissions, as contemplated by the present Contract.

ARTICLE IX.—The bank which has received the loan funds on deposit will have the right, without further authorization, to draw upon the funds on deposit for the amount of coupons payable during the period of construction. Only, it will have to give notice thereof to the Director General of the Imperial Chinese Railway Company.

ARTICLE X.—To insure the guarantee just given to the bonds of the present Contract, the Imperial Chinese Railway Company grants these bonds a special first mortgage (i. e., *une garantie spéciale de premier rang*) on the railway from Chengtingfu to Taiyuanfu, on its fixed and rolling stock and on its receipts.

This special assignment is accepted in the name of the bondholders by the Russo-Chinese Bank. In case of the non-fulfilment of the obligations assumed by the Imperial Chinese Railways in the present Contract, the Russo-Chinese Bank will have full power to take such action against the said property as may result from this special assignment.

ARTICLE XI.—The foregoing stipulations do not constitute an obstacle to the direct responsibility of the Imperial Chinese Government in relation to the present Loan, as that responsibility is specified in Article VII.

The Imperial Chinese Government consequently undertakes to make up the sum necessary for the service of the loan, in gold, in case the sums derived from the net revenues of the line from Chengtingfu to Taiyuanfu and paid over by the Imperial Chinese Railway Company, should not have produced, after conversion into gold, at least three months before the next semi-annual due-date, an amount sufficient to assure that service.

In that case, upon a demand addressed to it, the Imperial Chinese Government must place at the disposal of the Russo-Chinese Bank, sixty days before the next semi-annual due-date, in gold or in securities deemed sufficient to produce it in gold, the amount that shall have been indicated to it as being necessary to make up that service.

ARTICLE XII.—From the sums derived from these deposits by the Imperial Chinese Railway Company, or from the payments by the Imperial Chinese Government, the Russo-Chinese Bank will in due season draw for the amounts necessary for the service of the Loan, in accordance with the needs as determined during the preceding half-year.

ARTICLE XIII.—The Imperial Chinese Government will pay to the branch of the Russo-Chinese Bank in Paris, or to the firms or institutions charged with the service of the Loan, a commission of ¼%, that is, 25 francs per 10,000 francs, on the amount of the coupons paid, and a commission of ¼% on the

amount of the bonds drawn by lot or amortized in consequence of anticipated repayments. The amount of this allowance will be drawn each half-year from the balance of available revenues from operation, and in case of insufficiency it will be paid immediately by the Chinese Government.

ARTICLE XIV.—The Imperial Chinese Government binds itself to respect, and cause to be respected, the privilege stipulated in favor of the bonds by Article IX of the present convention, and to hold free and exempt from all taxation(i.e., *à maintenir quittes, libres et affranchis de tout impôt quelconque*) the bonds and coupons and all operations whatsoever connected with the service of the Loan.

ARTICLE XV.—Coupons which have not been presented for payment within five years after their due-date will be prescribed in favor of the Imperial Chinese Government: the time-limit shall be thirty years in the case of amortized bonds.

Upon the death of any bondholder of the present Loan, the bonds shall be transferred and shall belong to his heirs, in conformity with the inheritance laws in force in the country of which the bondholder was a subject.

The payment of coupons and the repayment of bonds will be made to the holders, in time of war as in time of peace, without distinction whether they be subjects of friendly States or of Enemy States.

In case of loss, theft or destruction of bonds of the present Loan, the Imperial Chinese Government authorizes the Russo-Chinese Bank to replace the bonds at its own expense, after what is deemed sufficient proof shall have been furnished it of the loss of the bonds and title-deeds of the claimants.

ARTICLE XVI.—The Imperial Chinese Government, through its representatives in Europe, will at once take the necessary steps and furnish the documents to obtain the admission of the present Loan to official quotation upon the Bourses of St. Petersburg and Paris.

ARTICLE XVII.—Of the whole amount of the present Loan, amounting to a nominal principal of 40,000,000 francs, the Russo-Chinese Bank buys outright 22,000,000 francs of nominal principal, or 44,000 bonds of 500 francs, delivery to date from payment to the Branch of the Russo-Chinese Bank in Paris, at the price of 90%, that is to say, for the total sum of 19,800,000 francs.

ARTICLE XVIII.—The proceeds of this purchase, in conformity with the estimates of expense as calculated by the Russo-Chinese Bank, will, by agreement with the Imperial Chinese Railway Company, be either deposited by the said Bank with its Paris branch, or sent to its Shanghai branch, for the requirements of the Imperial Chinese Railway Company.

It is understood that the Russo-Chinese Bank will be bound to turn over these amounts only upon the conditions and under the reservations indicated in Article XX hereafter.

It is furthermore understood that a portion of the proceeds of the bonds—at least one-fifth—will be deposited, after conversion into silver, in the Imperial Bank of China.

This deposit will serve to meet the requirements of construction at such time as a conversion of the funds might be too prejudicial to the interests of the Company.

This deposit will be made on the conditions and under the reservations provided for in Article XX.

The balance of the funds, after the completion of construction and after the equipment of the line, will be paid over to the Chinese Government through the Imperial Chinese Railway Company.

ARTICLE XIX.—After the signature of the present contract, the Imperial Chinese Railway Company entrusts to the Russo-Chinese Bank the choosing of an Engineer-in-Chief, experienced in construction work, whose duty it will be to direct the construction of the line and to devise the projects of survey, plans, route, and entire system of the line. This will all be subject to the approval of the Director General of the Imperial Chinese Railway Company.

This Engineer will be appointed, upon recommendation by the Russo-Chinese Bank, by the Director General of the Imperial Chinese Railway Company, to whom he will be directly subordinate.

The Director General of the Imperial Chinese Railway Company will fix the amount of the salary of the Engineer-in-Chief, after coming to an agreement with the Russo-Chinese Bank.

The Engineer-in-Chief will prepare a tabulated plan of organization of the European staff required for the construction of the line, and will submit it for the approval of the Director General of the Imperial Chinese Railways. This staff will be engaged by the Russo-Chinese Bank, which will place it under the orders of the Engineer-in-Chief.

As regards the Chinese staff, technical or other, the Director General of the Imperial Chinese Railway Company reserves the right to choose it and to turn it over to the Engineer-in-Chief. No Chinese employee may be engaged without the consent of the Director General of the Imperial Chinese Railway Company.

It is understood that Chinese subjects who have made special studies or have acquired sufficient practical knowledge may be employed on the work on the suggestion of the Director General of the Imperial Chinese Railway Company.

As regards the technical service, both the Chinese and the foreign staff shall be under the authority of the Engineer-in-Chief; but the Director General of the Imperial Chinese Railway Company reserves the right to ask for the dismissal of any agent who may have been guilty of misconduct, insubordination, or disrespect for the Chinese authorities, whatever his nationality.

The Director General of the Imperial Chinese Railway Company likewise reserves the right to delegate upon the works a Special Representative with full powers. The salary of this Representative, as also the running expenses of the head office at Shanghai, will devolve upon the Shansi Railway project as in the case of the Peking-Hankow Railway.

Orders for materials, tools and rolling-stock necessary for the construction of the line and for its regular operation must be presented in advance through the Enginer-in-Chief for the approval of the Director General of the Imperial Chinese Railway Company. Orders and local tests of the work must be arranged jointly by the Engineer-in-Chief and the Special Representative of the Director General of the Imperial Chinese Railway Company.

Statements of the amounts paid for the supply of materials and for expenses of all kinds settled in Europe must be sent every three months to the Imperial Chinese Railway Company.

Every month, the Engineer-in-Chief, in agreement with the Director General of the Imperial Chinese Railway Company, will ask the Russo-Chinese Bank to pay over, through its Peking branch, the amounts necessary for the general expenses of the undertaking for the following month, into the hands of an agent of the Director General of the Imperial Chinese Railway Company. This agent may only surrender the funds against the joint signature of the Engineer-in-Chief and the Representative of the Director General of the Imperial Chinese Railway Company.

The Russo-Chinese Bank shall not therefore have to meet any of the expenses in connection with construction or operation.

It will endeavor to complete the work on the line within a period of three years.

ARTICLE XX.—On the various sections between Chengtingfu and Taiyuanfu, the Russo-Chinese Bank will pay over each month to the Imperial Chinese Railway Company, from the available funds in its hands, the amounts necessary to make the payments for the following month, in conformity with the estimates drawn up by the Engineer-in-Chief.

The price paid for the above-mentioned bonds being destined exclusively for the construction of the line from Chengtingfu to Taiyuanfu, the Russo-Chinese Bank will have the right not to surrender these funds in the event that any of the payments should not have been applied as provided for, as also in the event that the Russo-Chinese Bank should not have been enabled to continue the direction of the work of construction with which that Bank is exclusively entrusted.

ARTICLE XXI.—The Chinese Government gives the Russo-Chinese Bank an option to December 31st, 1905, to purchase the balance of the loan, or 18,000,000 francs, at the price of 90% of par value.

Said option may be availed of at one or several times, regardless of the amortizations made. Delivery of the bonds taken on the options will be made at the Russo-Chinese Bank in Paris, which will only surrender them under the conditions and terms provided for in the above Article XX.

ARTICLE XXII.—If the Russo-Chinese Bank should avail itself of the right given it to purchase all or a portion of the securities for which it has an option granted it, it shall come to an agreement in each case with the Imperial Chinese Railway Company to determine the sections (of line) to be built with the new funds.

ARTICLE XXIII.—Surveys for the line, dating from the signing of the present contract, are at the expense of the Imperial Chinese Railway Company. The whole line shall be divided into two principal sections: The first from Chengtingfu to Ping-ting on the left bank of the Weishui River, to the north of Ping-ting Chou, and the second from that point to Taiyuanfu.

It is henceforth to be understood that the section to be built with the funds

derived from the first option, will be that from Chengtingfu to Ping-ting and that surveys for it will begin the first year.

Within two months from the date of ratification of the present contract, the Russo-Chinese Bank will place at the disposal of the Director General of the Imperial Chinese Railway Company a sum of 1,000,000 francs as an advance on the proceeds of the loan.

This sum, it is understood, can only be applied to surveys and construction work on the Shansi railway. The rate of interest on this advance is fixed at 6% annually, regardless of the price of issue.

The first option must be taken up within eleven months from the date of signing the present contract.

The proceeds of said option shall be applied in the first instance to refunding the above-mentioned advance.

Article XXIV.—The Russo-Chinese Bank reserves the right to make one or more issues, by public subscription or otherwise, of the whole or a part of the bonds bought outright, or forming a part of the option; the expense of such issues to be borne, of course, by the Russo-Chinese Bank.

Article XXV.—The entire quantity of materials and supplies necessary for the construction and operation of the railway from Chengtingfu to Taiyuanfu will be ordered by the Russo-Chinese Bank, which will execute these orders conscientiously and on the best terms.

It is agreed that, upon equal terms, such materials and supplies as can be produced in China will not be ordered abroad. The mines and factories under the control of His Excellency Sheng Hsüan-huai must, more particularly, profit by this preference in case terms and price (including freight and insurance charges) are such as though these materials and supplies had been ordered from abroad.

Orders given will be freed from all customs and *likin* dues upon entry and in transit through Chinese territory.

If proof of the granting of this privilege is not furnished to it before the lapse of the month following the date on which the Russian Government has advised the Russo-Chinese Bank of its having received the notifications provided for in Article XXVIII, the latter reserves the right not to consider itself bound.

It reserves the same right, within the same time-limit, in the event of the occurrence of extraordinary events, such as a war, or the falling below par of the French *rente*.

If the Russo-Chinese Bank should, for its part, not fulfil the obligations which it has assumed under the present Contract, this would be cancelled; the Imperial Chinese Railway Company would be free to contract with whomsoever else it desired, and forego the services of the Russo-Chinese Bank.

Article XXVI.—In case of conflict or difference of views between the Russo-Chinese Bank or its delegates, and the Imperial Chinese Government or the Imperial Chinese Railway Company, these conflicts or differences of views will be submitted to the judgment of a member of the Ministry for Foreign Affairs of the Chinese Government, and of the Minister of Russia in Peking.

In case of disagreement between the latter, the Minister for Foreign Affairs of the Chinese Government and the Minister of Russia will designate an arbitrator who shall make a final decision.

ARTICLE XXVII.—Should the Russo-Chinese Bank so request the Ministry for Foreign Affairs, the latter would be bound to give cognizance of the title (i. e., *notifier le titre*) to the Minister of the foreign country that it might designate to him as subscribing to the issue (of Bonds).

ARTICLE XXVIII.—The present Contract is drawn up in duplicate, one copy for the Imperial Chinese Railway Company, and one for the Russo-Chinese Bank. In case of doubt or of disagreement, the French text alone will be authoritative in interpreting the present Contract.

The present Contract must be submitted through the proper channel for the Imperial sanction, and when that sanction has been obtained, the Minister for Foreign Affairs of the Chinese Government must give notice thereof by official dispatch to the Minister of Russia in Peking, and in case of necessity, at the latter's request, to the representative in Peking of the foreign country to whom the title is to be notified.

These formalities will be carried out within a period of one month after the signature of the Contract.

Done at Shanghai, October 2/15, 1902, that is, the 14th day of the 9th moon of the 28th year of the Reign of H. M. Kuang Hsü.

The Director General of the Imperial Chinese Railway Company,

(Sgd.) SHENG HSÜAN-HUAI.

The Manager of the Russo-Chinese Bank in China.

(Sgd.) C. R. WEHRUNG.

(II)—Operating Contract.

Between the undersigned:

(1) The Imperial Chinese Railway Company, represented by its Director General, His Excellency Sheng Hsüan-huai, duly authorized by the Imperial Government;

(2) The Russo-Chinese Bank, represented by Mr. C. R. Wehrung, one of its Directors;

It has been agreed as follows:

ARTICLE I.—The Imperial Chinese Railway Company, in agreement with the Chinese Government, entrusts the Russo-Chinese Bank, which will appoint delegates for the purpose, with the directing, managing and operating of the line from Chengtingfu to Taiyuanfu, for which the Imperial Chinese Railway Company holds the concession under the Edict of His Majesty the Emperor of China dated October 13, 1902, that is, the 14th day of the 9th moon of the 28th year of the Reign of His Majesty Kuang Hsü, a copy of which is annexed to the Loan Contract.

ARTICLE II.—The Russo-Chinese Bank will undertake the operation of the line upon the completion of the several sections, after their definite acceptance by the Director General of the Imperial Chinese Railway Company, each section

having to be completely equipped and supplied in advance with all material necessary for its operation, as well as with supplies, tools, and rolling-stock; the Russo-Chinese Bank or the delegates it may have appointed in accordance with the provisions of Article I will organize the service, will engage the staff—over which it will have an absolute right of discharge or dismissal, and whose salaries it will fix according to a tabulated plan of organization previously submitted to the Director General of the Imperial Chinese Railway Company,—will order whatever is necessary for the operation and upkeep or for the repair of the line, will fix the tariffs within the terms of the contracts for the concession, will receive the revenues of all kinds, and will make the payments for the expenses of operation and the management of the Imperial Chinese Railway Company in connection with the Shansi Railway.

The foregoing steps to be taken in respect to the operation of the line will be submitted by the Russo-Chinese Bank or by the engineers appointed by it to the Imperial Chinese Railway Company, as a matter of consultation (i. e., *à titre consultatif*).

The Director General of the Imperial Chinese Railway Company will have the most extensive control over revenues and expenditures. He will appoint a Representative, a cashier, an accountant, and an interpreter, who will be attached to the European staff in order to exercise the effective control contemplated above. The Representative and his assistants, mentioned above, will be paid by the Shansi Railway enterprise.

This Representative will countersign all documents of account.

As stipulated in the Loan Contract, the Director General of the Imperial Chinese Railway Company reserves the right of requiring the dismissal of any agent, of whatsoever nationality, who may have been guilty of misconduct, insubordination, or disrespect towards the Chinese authorities.

The Chinese staff will be chosen by the Representative of the Director General of the Imperial Chinese Railway Company, who will place them under the exclusive orders of the Engineer-in-Chief.

The acquisition of all new material, and new work of improvement or upkeep of the line or of the stations, which may be necessary after the opening of each section to traffic, will be entirely at the expense of the Shansi Railway enterprise. In so far as possible, the orders required for the upkeep and repair of the line will be given to the factories and mines of China. It is understood that the mines and factories under the control of His Excellency Sheng Hsüan-huai will enjoy a right of preference over foreign mines and factories in the purchase of all the above-mentioned materials, upon terms and prices (including freight and insurance charges) such as if the materials had been purchased abroad.

Article III.—In case of war or of revolution in China, the transportation of troops, munitions and provisions for the Chinese Army will have precedence over all commercial traffic. This transportation will be charged for at a reduction of 50% from the tariff; it will be conducted in accordance with the orders of the Director General of the Imperial Chinese Railway Company; and it will moreover be forbidden to transport anything which might be of a character to injure the Chinese Government.

Special service for the local authorities and for the members of the Imperial Chinese Government will be arranged by the operating management, upon an understanding with the Representative of the Director General of the Imperial Chinese Railway Company. The same will be the case in regard to free tickets, which must be countersigned by the Director General of the Imperial Chinese Railway Company.

ARTICLE IV.—From the operating revenues remaining available after the payment of all expenses, the Russo-Chinese Bank will retain such amounts as are necessary to assure each half-year, at least three months before due-date, the service of the loan of 40,000,000 francs contracted by the Imperial Chinese Government.

This retention will be made so long as the said loan shall not have been wholly repaid.

The proceeds of this retention will be paid over each month into the hands of the Russo-Chinese Bank or into the hands of the firm that the latter may have designated. The latter will convert into gold, to the best advantage of the Imperial Chinese Railway Company, the amounts paid over to it, in order to use them for the service of the Loan.

Whenever the service in gold of the Loan may have been assured through the sums thus paid over, the Russo-Chinese Bank will set aside 10% of the surplus, which will be devoted to the establishment of a reserve fund for extraordinary rebuilding or repairs to assure operation.

It will thereafter pay over to the Imperial Chinese Railway Company such balance as remains available out of the operating revenues.

In the event of the repayment contemplated in the following article, the Russo-Chinese Bank or its delegates will hand over to the Representative of the Director General of the Imperial Chinese Railway Company the line, its fixed material and rolling-stock, and all its appurtenances, in good state of upkeep and in normal operation.

ARTICLE V.—The term of the present Operating Contract is fixed at thirty years, reckoning from the date of the signature of the Contract.

This term, however, would be prolonged as of course (i. e., *de plein droit*) in the event that the loan of 40,000,000 francs should not at that time have been completely amortized: and that prolongation would continue so long as complete amortization had not been effected.

But if the repayment of the loan were to be effected before the due period, the present Operating Contract would be cancelled as from the date of the full repayment of the Loan.

ARTICLE VI.—During the whole period of the operation of the line by the Russo-Chinese Bank, the Imperial Chinese Railway Company grants to it a participation of 20% in the net profits of the railway from Chengtingfu to Taiyuanfu, as determined by mutual agreement after each accounting period, allowing, however, for the amounts necessary to meet the service of interest and amortization of the Loan.

ARTICLE VII.—In case of conflict or difference of views between the Imperial Chinese Railway Company, or the Imperial Chinese Government, and the

Russo-Chinese Bank, these conflicts or differences of views will be adjusted as provided in Article XXVI of the Loan Contract.

ARTICLE VIII.—If the operating revenues should not be sufficient to cover the costs, the Imperial Chinese Railway Company would have to furnish the funds necessary to insure the regular operating service under normal conditions.

The funds so furnished will be considered as an advance, repayable to the Imperial Chinese Railway Company so soon as the revenues come to exceed the expenses.

ARTICLE IX.—All materials and all supplies that the Russo-Chinese Bank may need for the operation and for the upkeep and repair of the line will, when they come from abroad, be exempted from all customs or *likin* dues.

ARTICLE X.—The present Contract is drawn up in duplicate, one copy for the Imperial Chinese Railway Company and one for the Russo-Chinese Bank.

In case of doubt or difference, the French text alone will be authoritative for the interpretation of the Contract.

The present Contract will be submitted through the proper channel for the Imperial sanction, and when that sanction has been obtained, the Minister for Foreign Affairs of the Chinese Government must give notice thereof by official despatch to the Minister of Russia in Peking, and in case of necessity, at the latter's request, to the representative in Peking of the foreign country to whom the title is to be notified.

Done at Shanghai, October 2/15, 1902, that is, the 14th day of the 9th moon of the 28th year of the Reign of His Majesty Kuang Hsü.

The Director General of the Imperial Chinese Railway Company,

(Sgd.) H. E. SHENG KUNG PAO.

The Manager of the Russo-Chinese Bank in China,

(Sgd.) CH. R. WEHRUNG.

Note.

In *Rockhill,* p. 309, appears the following translation of a "Draft of Agreement between Fang, Superintendent of the Liu-lin-Tai-yuan Railway Co. (understood to be acting under authority from the Governor of Shansi), and Pokotilow, Director of the Russo-Chinese Bank," dated 1898:

Preliminary Loan Agreement for Chengtingfu-Taiyuanfu Railway.—1898.

"The line is to run from Chengting to the coal mines on the Weishui river to the north of Pingting, and thence to Taiyuan. The cost—including 'official profits' (*kuan-li*)—is estimated at Tls. 6,800,000. As it is impossible to raise this amount in China, Fang agrees to accept a temporary advance from the Russo-Chinese Bank on the following terms:—

"1.—A Company will be formed to construct the railway, and the Company will borrow Tls. 6,800,000 necessary from the Bank. Interest 6 per cent. from the date of advance.

"2.—The exact amount required will be determined after the completion of the surveys and estimates.

"Until the railway is opened to traffic the interest will accrue, and be added to the principal of the loan. Should the traffic receipts during the two years following the opening be insufficient to pay the interest the deficiency will also be added to the loan capital.

At the close of these two years, all the moneys owing to the bank by the Company on principal and interest must be reckoned up and interest paid on the full amount at 6 per cent. per annum. All surplus profits, excluding 'official profits' (*kuan-li*) made within *five* years from the opening of the railway to be deposited in the Bank, the amount to go to the redemption of the loan at the end of the five years. The Bank to pay 4 per cent. on the amounts so deposited.

"Dating from the sixth year after the opening of the line the Company agree to pay off the interest and principal due to the Bank by quarterly instalments, extending over 25 years: such instalments to be paid in gold at current rates.

"3.—The Company may at will redeem the loan before the limit of the time specified.

"The Company may issue share certificates to the amount of the loan, which are to be deposited with the Bank as security. Within the 25 years' limit certificates to the amounts redeemed from year to year will be handed over to the Company by the Bank. If, before the loan is redeemed, the Chinese public consider these shares a good investment, the Company may purchase them from the Bank and issue them at a premium of 20 per cent.

"Should the Company redeem the debt due to the Bank in either of the two ways stated above, the Bank will have no further concern with the railway.

"4.—The Bank will decide in consultation with the Company all questions of route, gauge, position of stations, amount of rolling stock, etc. All the construction and works will be executed under the supervision of the Company.

"The Bank engages to use local materials and labour as far as possible, and in any case to spend the greater part of the loan on the spot. As little material as possible is to be procured from abroad, but whatever is thus obtained must come from Russian or French territory. All such materials are to be purchased by the Bank at the most reasonable prices, and questions as to the reasonableness of the prices are to be settled by reference by the Company to the Chinese Ministers in Russia and France.

"5.—During the whole 30 years and/or while the loan is unredeemed, the high authorities of Shansi shall, at the request of the Company, interdict the construction of another railway or other mechanical means of transport between Liu-lin and Taiyuan-fu, as such would be detrimental to the interests of this railway.

"6.—The Company will see to the acquisition of the land required for the railway in accordance with the provisions of Chinese law. The regulations for the purchase of the land will be drawn up by the Company and approved by the Governor of Shansi who will be requested to instruct the local authorities to surrender or let whatever Government land is required for the railway line. As to private ground, graves, bridges, rivers, and roads, the regulations of the Tientsin railways will be followed, and reasonable compensation will be awarded. The local officials are to lend every assistance and to check disorder. In other matters the established precedents ruling in the railways already opened to traffic in Chihli are to be followed.

"The price of the ground will be arranged by the Company with the owner, and the money handed over in the presence of a representative at the Bank specially appointed for that purpose. This will prevent irregularities.

"The Bank will prepare detailed plans of the railway and send them to the Company, and the Company are given six months from the date of receipt of the plans within which to secure the land required for the track.

"7.—The Governor of Shansi will be moved to exempt from likin charges all railway material. Import and transit dues paid to the Imperial Maritime Customs are not included in this exemption.

"8.—The administration of the railway will rest with the Company. Mr. Fang will procure the assistance he needs, and from the date of the approval of this agreement Tls. 10,000 a year will be advanced to him to cover the salaries of himself and assistants.

"Before the opening of the railway and traffic these salaries will be advanced by the Bank and the amounts will be added to the loan accounts. After the opening they will be paid out of receipts by the Company. If there is a surplus after the payment of all expenses out of the receipts, it will rest with the Company to decide whether the remuneration above mentioned shall be increased. The Foreign Agent of the Bank will be present at all meetings of the Managing Officers, and will exercise supervision over all matters of accounts, machinery, etc.

"9.—The Foreign Agent will be specially appointed by the Bank after the completion of the railway to inspect the accounts, receipts, and expenditure. The accounts will be kept after foreign methods. He will also inspect the permanent way, machinery, stations, etc., and see that they are kept in good working order, and free from dilapidations. He will have foreign assistants, but their number will be kept as low as possible. The salaries of the Agent and his staff, which are not to exceed 100,000 francs or say Tls 30,000 a year will be paid by the Company. With these exceptions the *personnel* will be Chinese. As a temporary arrangement, however, China not possessing capable machinists, foreign artificers will be engaged by the Bank to work the machinery, but as soon as Chinese are available for this purpose the foreigners will be sent home. It is fully expected that Chinese will be employed as machinists before many years are over, and to attain this end

the Superintendent is at liberty to establish engineering and mining schools near at hand, and to engage foreign instructors to teach 10 to 20 selected Chinese youths of capacity who may also be sent abroad to complete their knowledge.

"The Board will assist the Company as far as possible in its efforts to dispense with foreign assistance and to secure capable Chinese machinists without delay.

"10.—After the completion of the railway the yearly surplus, if any, left after payment of working expenses and 'official profits,' is to be dealt with as follows:—

"5-10ths to the Company. Should this 5-10ths amount to 30,000 taels or over, the Superintendent's salary will be paid out of it; if the 5-10ths do not amount to Tls. 30,000 the salary will form part of the working expenses.

"2-10ths to the State.

"1-10th to the Trade Bureau to be used for public purposes, and

"2-10ths to the Bank—this payment to cease at the end of 30 years from the opening of the line. Should the Company be able to redeem the loan before this limit of time as provided for under Article 3, the Bank's 2-10ths will cease with such redemption.

"11.—The Bank will first undertake the construction of the first section to the coal mines of Ping-ting; this to be completed within 3 years from the acquisition of the ground required, according to the plans. This section finished, the Bank engages to begin work on the 2nd section from the coal mines to Taiyuan Fu within *two* years. If it fails to do so the Company is free to discharge the Bank from the contract and hand the work over to others to undertake. The Bank, in this case, is to hand over the surveys, estimates, and other documents relating to the 2nd section to the Company without payment therefor and without objection to the Company's action.

"12.—In case of default in the payment of principal and interest, the administration of the railway will pass temporarily into the hands of the Bank, but the Company will continue its supervision. The Superintendent, etc., will continue to meet and consult as before and the salaries will continue to be advanced in the manner stated in Article 8. The Bank will not under these circumstances be considered as entering into possession of the railway; it will simply administer on behalf of the Company until the loan and interest are paid in full, when the administration will be returned to the Company.

"13.—Superintendent Fang will move the local authorities to permit the Company, through the Trade Bureau, to select a few coal and iron mines in the country adjoining the railways; places granted to other persons being excluded from the selection.

"Within a year from the approval of this agreement the Bank will indicate a few coal and iron mines which it will be able to work as soon as the necessary authorisation is received from the Governor of Shansi through the Trade Bureau. But the number of mines thus selected must not exceed four or five.

"Superintendent Fang will also be authorised to choose a convenient site for glass works, the funds for the establishment of which will be provided by the Bank.

"The financial terms relating to the mines and glass works will follow the same lines as those relating to the railway; 2-10ths of the surplus after payment of working expenses and 'official profits' will go to the Bank in payment of principal and interest. In case of default the management of all the mines and the glassworks will revert to the Bank who will retain it until the loans and interest are redeemed.

"14.—This loan being a commercial arrangement made between Russian and Chinese merchants, it is understood that the Governments of China and Russia are in no way concerned.

"15.—This instrument is only preliminary. When it has been approved by the Governor of Shansi and authorised by the Emperor, it will as it stands become definitive."

In the Memorandum on Railway and Mining Concessions secured by France and French Companies in China, printed in *Doc. Dipl., Chine, Juin-Octobre, 1900,* p. 23, appears the following statement in regard to the concession for the Chengting-Taiyuan Railway:

"The concession for this line was provided for by a contract between the Bureau of Commerce of the province of Shan-hsi and the Russo-Chinese Bank, said contract being approved by the Chinese Government May 21, 1898.

"The length of the line is 246 kilometers from Tai-yuan-Fu to Cheng-ting-Fu where it will join the railway from Peking to Hankow. The line will open the very rich coal field of Ping-ting, and its exploitation should be remunerative. The concession contemplates the extension of the Tai-yuan-Fu line to the southwest. The system as above will measure from 500 to 600 kilometers and will be worth about 60 millions.

"The French group in the Russo-Chinese Bank is entrusted with working this concession."

NUMBER 1902/9.

PORTUGAL AND CHINA.

Supplementary Commercial Convention.—October 15, 1902.*

His Most Faithful Majesty the King of Portugal and of the Algarves, and His Majesty the Emperor of China, desiring to facilitate the commercial relations between Portugal and China, have decided to introduce certain modifications into the Treaty of friendship and commerce which at present governs the relations between the two countries: for this purpose they have named their plenipotentiaries, to wit:

His Most Faithful Majesty the King of Portugal and of the Algarves, José d'Azevedo Castello Branco, his Envoy Extraordinary and Minister Plenipotentiary on Special Mission near His Majesty the Emperor of China, of the Council of His Majesty, Peer of the Realm, Grand Cross of the Military Order of Notre Dame de la Conception de Villa-Viçosa, Commander of the Order of St.-Jacques de l'Epée of Scientific, Artistic and Literary Merit, Grand Cross of the Order of Military Merit in Spain, and Grand Bibliotécaire;

His Majesty the Emperor of China, His Highness Ch'ing, Prince of the First Rank, President of the Ministry for Foreign Affairs, Envoy Extraordinary and Minister Plenipotentiary, etc., etc.;

Who, having exchanged their full powers, which they have found in good and due form, have come to an agreement upon the following articles:

ARTICLE I.—The Treaty of friendship and commerce between Portugal and China, dated December 1, 1887,† continues to be in force with the alterations and additions resulting from the present Treaty.

ARTICLE II.—Portugal accepts the increase of the import tariffs stipulated by Article VI of the Peking Protocol of September 7, 1901;‡ and from the time of the ratification of the present Treaty, and so long as the Treaty of friendship and commerce between Portugal and China, now in force, shall not have been revised, Portugal will enjoy the treatment of the most favored nation, and in no case will there be required from Portuguese subjects duties more or less high than those which may be required from the subjects of any nation whatsoever.

This article annuls Article XII of the Treaty of 1887.

ARTICLE III.—In order to make effectitve the cooperation of Portugal for the control and the levying of duties upon opium imported into Macao and exported from Macao to Chinese ports, there will be, in a location chosen by agreement between the Government of the Colony of Macao and the Administration of the Chinese Imperial Maritime Customs, a branch office of those Customs.

* Translation from the French text as printed in *Customs*, Vol. II, p. 303. See Note to this document, *post*, p. 371.

† See *Hertslet*, p. 423.

‡ No. 1901/3, *ante*.

ARTICLE IV.—The branch office will control the entry and the shipment of opium at Macao, and will collect all the duties due to China.

ARTICLE V.—This branch office will accord to all vessels sailing from Macao the same privileges, and will apply to them the same regulations, as if this branch office were a Maritime Customs office of a treaty port.

ARTICLE VI.—Regulations, established by agreement between the two High Contracting Parties, will govern the working of this branch office of the Chinese Imperial Maritime Customs, in such manner as to safeguard the legitimate interests of the two countries.

ARTICLE VII.—In order to avoid discussions which might result, this Treaty will be written in three languages—Portuguese, Chinese and French—and will be signed in six copies, two in each language.

All these versions have exactly the same sense; but if by chance doubts should arise as to the interpretation of the Portuguese and Chinese versions, the French text will serve for the decision of these doubts.

ARTICLE VIII.—The present Treaty will be ratified by His Most Faithful Majesty the King of Portugal and of the Algarves, and by His Majesty the Emperor of China.§ Until it shall have been ratified, the Treaty of 1887 and the annexed Conventions will continue in force, and the subjects of the two countries will enjoy the rights and privileges that have been accorded them by the said Treaty.

ARTICLE IX.—After the exchange of ratifications, which will take place as soon as possible, the present Treaty will be published in order that the officials and subjects of the two countries may take note of its stipulations and observe them. In faith of which, the plenipotentiaries have signed the present Treaty and have affixed their seals thereto.

Done at Peking, October 15, 1902.

(Sgd.) J. D'AZEVEDO CASTELLO BRANCO.
(L.S.)

Note.

In connection with this convention see, in special reference to Articles 3-6, the Additional Convention regarding the establishment of a Customs House at Macao, January 27, 1903 (No. 1903/1, *post*): see also the Sino-Portuguese Treaty of commerce, signed November 11, 1904, but never ratified, of which the text is as follows:

(Unratified) Treaty of Commerce between China and Portugal.—November 11, 1904.

"ARTICLE I.—The Treaty of Amity and Commerce between China and Portugal, dated the 1st December, 1887 (17th day, 10th moon, 13th year of Kuang-Hsü), together with the Special Opium Convention attached thereto, continues in force, except in so far as modified by the present Treaty.

"ARTICLE II.—Portugal accepts the increase in the import duties stipulated for in Article VI of the Peking Protocol of 7th September 1901. Portugal will enjoy the privileges of the most favoured nation, and in no case shall Portuguese subjects pay higher or lower duties than those paid by the subjects of any other foreign nation.

§ Ratified by China, October 17, 1902.

"Article XIII of the Treaty of 1st December 1887 is therefore rendered null and void.

"Article III.—The Government of His Most Faithful Majesty agrees to continue as heretofore to cooperate with the Government of his Imperial Chinese Majesty in the collection of the duty and *likin* on opium exported from Macao to China, and also to cooperate in the repression of smuggling in accordance with the Treaty and Special Opium Convention of 1st December 1887.

"In order to render this cooperation effective, it is clearly stipulated that all opium imported into Macao shall on arrival be registered at the special Portuguese Government Bureau provided for this purpose, and the Portuguese Government will take the necessary steps in order to have all this opium stored under its exclusive control in one Depôt, from which it will be removed as required by the demands of trade.

"The quantity of opium required for consumption in the territory of Macao will be fixed annually by the Government of Macao in agreement with the Commissioner of the Imperial Maritime Customs referred to in Article 11 of the above-mentioned Convention, and under no pretext will removal from the Portuguese Government Depôt be permitted of any quantity of opium for local consumption in excess of that fixed by the said Agreement.

"Necessary measures will be taken to prevent opium removed from the Dêpot for reexport to any port other than a port in China being sent fraudulently into Chinese territory.

"The rules for the carrying out of this Article shall be arranged by the two High Contracting Parties.

"The Portuguese Government will enact without delay a law providing penalties for infraction of the regulations agreed upon between the two High Contracting Parties.

"Article IV.—Such steps as are necessary for the repression of smuggling in the territory and waters of Macao shall be taken by the local Portuguese Government in concert with the Commissioner of the Kung Pei Kuan Customs, and similar steps in the Chinese territory and waters near Macao shall be taken by the said Commissioner of Customs in concert with the Government of Macao. This cooperation is intended to render such steps effective on all points in respect of which cooperation is needed and to avoid at the same time any injury to the sovereign rights of either of the High Contracting Parties.

"Special delegates from the local Government of Macao and the Imperial Maritime Customs shall proceed to fix the respective spheres of preventive measures, and shall devise practical means for the repression of smuggling.

"Article V.—With a view to the development of steam traffic between Macao and neighbouring ports in the Kwangtung province, the High Contracting Parties have agreed as follows:—

"1. Portuguese steamers desirous of conveying goods or passengers from Macao to any of the Ports of Call and Passenger Stages on the West River enumerated in the Special Article of the Burmah Convention of 1897 and in Article X of the British Treaty of Commerce of 1902 shall be permitted to do so, provided they comply with the special regulations to be framed for this purpose by the two High Contracting Parties.

"2. Steamers specially registered for traffic under the Inland Waters Steam Navigation Rules shall be permitted to ply between Macao and ports in the department of Kwangchow-fu, other than those mentioned in Section 1, provided they report to the Kung Pei Kuan Customs for examination of cargo and payment of duties in accordance with the special regulations to be framed for this purpose by the two High Contracting Parties.

"3. Such vessels may engage in all lawful trade, including the towing of junks and the conveyance of passengers and cargo, subject to the regulations for the time being in force.

"4. The privileges hereby granted are granted on the express understanding that special regulations shall be framed defining in detail the conditions under which such traffic may be carried on. Until the said regulations have been agreed upon and published, this Article shall not become operative, and, subsequently, shall remain so only so long as the said regulations are complied with.

"5. The Portuguese Government will enact without delay a law providing penalties for infraction of the regulations agreed upon between the two High Contracting Parties.

"Article VI.—Portugal having the right of most favoured nation treatment, it is clearly stipulated that any advantages China may think fit to grant to the products of any other nation shall be extended to similar goods of Portuguese origin on exactly the same conditions.

"It is also clearly understood that Portuguese wines of all kinds, proved by means of Portuguese certificates of origin, visés by Portuguese Consuls, to have been imported directly or indirectly from Portugal, shall when their alcoholic strength exceeds 14° pay the duty leviable according to the annexed Tariff on wines exceeding 14° of alcoholic strength. Wines passed through the Chinese Customs under the designation 'Port Wine' shall not be entitled to the benefit of this Article unless accompanied by a certificate of origin as above.

"Conversely, Chinese subjects shall enjoy in respect of their imports into and exports from Portugal all privileges and immunities granted to the subjects of the most favoured nation.

"Article VII.—Portuguese subjects may frequent, reside at, and carry on trade, in-

dustries, and manufactures, and pursue any other lawful avocation in all the ports and localities in China which have already been or may hereafter be opened to foreign residence and trade; and wherever in any such ports or localities a special area has been or may hereafter be set apart for the use and occupation of foreigners, Portuguese subjects may therein lease land, erect buildings, and in all respects enjoy the same privileges and immunities as are granted to subjects of the most favoured nation.

"ARTICLE VIII.—Whereas the Chinese Government has expressed a desire that the provisions of the Portuguese Civil Law, which grants Portuguese nationality to sons of aliens born in Portuguese territory, should be modified in the case of Chinese born in the territory of Macao; Portugal agrees to take this matter into careful consideration as soon as possible, and to regulate, by a special law if necessary, the conditions under which Portuguese nationality shall be granted in future to Chinese born in Portuguese territory.

"The conditions in question shall be so framed as to prevent Chinese to whom Portuguese nationality has been granted—

"1. From improperly arrogating to themselves privileges which are reserved for Chinese subjects, such as the right of residence for purposes of trade in the interior or at ports not open to foreign trade: and

"2. From entering, while residing in a Treaty port, into agreements with Chinese while themselves posing as Chinese subjects, and afterwards repudiating their responsibilities by claiming Portuguese nationality and taking advantage of such Portuguese laws as are contrary to the obligations involved in the said agreements.

"ARTICLE IX.—Whereas China, with the object of reforming its fiscal system, proposes to levy a surtax in addition to the Tariff duties on all goods passing through the Custom Houses, whether maritime or inland and frontier, in order to make good the loss incurred by the complete abolition of *likin,* the Portuguese Government agrees that foreign goods imported into China by Portuguese subjects shall on entry pay an import surtax equivalent to one and a half times the duty fixed by the Import Tariff as now revised, and that Chinese produce exported abroad by Portuguese subjects shall pay export duties, inclusive of the Tariff export duty, not exceeding seven and a half per cent *ad valorem,* provided always that such import surtax and export duties have been accepted by all the Powers having Treaties with China. With regard to the production tax, consumption tax, and excise, as well as the duties on native opium and salt, leviable by China, Portugal further agrees to accept the same arrangement as shall be agreed upon between all the Treaty Powers and China. It is, however, understood that the commerce, rights, and privileges of Portugal shall not, in consequence of this undertaking, be placed in any way at a disadvantage as compared with the commerce, rights, and privileges of any other Power.

"ARTICLE X.—Drawback Certificates for the return of duties shall be issued by the Imperial Maritime Customs to Portuguese subjects within twenty-one days from the date of presentation to the Customs of the papers entitling the applicant to receive such Drawback Certificates.

"These Certificates will be accepted at their face value by the Customs authorities at the port of issue in payment of duties of all kinds, tonnage dues excepted; or shall, in the case of drawbacks for duty paid on foreign goods re-exported abroad within three years from the date of importation, be redeemable in full in ready money by the Imperial Maritime Customs at the port of issue, at the option of the holders thereof.

"But if, in connection with any application for a Drawback Certificate, the Customs authorities discover an attempt on the part of a Portuguese subject to defraud the revenue, he shall be liable to a fine not exceeding five times the amount of the duty whereof he attempted to defraud the Customs, or to a confiscation of the goods. In case the goods have been removed from Chinese territory, then the Consul shall inflict on the guilty party a suitable fine to be paid to the Chinese Government.

"ARTICLE XI.—China agrees to herself establish a system of uniform national coinage and provide for a uniform national currency which shall be freely used as legal tender in payment of all duties, taxes, and other obligations by Portuguese subjects as well as by Chinese subjects in the Chinese Empire. It is understood, however, that all Customs duties shall continue to be calculated and paid on the basis of the Haikwan tael.

"ARTICLE XII.—The Government of His Most Faithful Majesty agrees to the prohibition by the Chinese Government of the importation into China of morphia and of instruments for its injection, on condition, however, that the Chinese Government will allow the importation of morphia and of instruments for its injection for medical purposes by Portuguese doctors, chemists, and druggists, on payment of the prescribed duty and under special permit which will only be granted to an intending importer upon his signing at the Portuguese Consulate a suitable bond undertaking not to sell morphia except in small quantities and on receipt of a requisition signed by a duly qualified foreign medical practitioner.

"If fraud in connection with such importation be discovered by the Customs authorities, the morphia and instruments for its injection will be seized and confiscated, and the importer will be denied the right to import these articles thereafter.

"ARTICLE XIII.—The Chinese Government, recognizing that it is advantageous for the

country to develop its mineral resources and that it is desirable to attract foreign as well as Chinese capital to embark in mining enterprise, agrees to revise its existing mining regulations in such manner, by the selection of those rules in force in other nations which seem applicable to conditions in China, that the revision, while promoting the interests of Chinese subjects and in no way prejudicing the sovereign rights of China, will offer no impediment to the employment of foreign capital nor place foreign capitalists at a greater disadvantage than they would be under generally accepted foreign regulations, and will permit Portuguese subjects to carry on in Chinese territory mining operations and other necessary business relating thereto, provided they comply with the new regulations and conditions which will be imposed by China on its subjects and foreigners alike, relating to the opening of mines, the renting of mineral land, and the payment of royalty, and provided they apply for permits, the provisions of which in regard to necessary business relating to such operations shall be observed. The residence of Portuguese subjects in connection with such mining operations shall be subject to such regulations as shall be agreed upon between Portugal and China.

"Any mining concession granted after the publication of such new rules shall be subject to their provisions.

"ARTICLE XIV.—It being only right that the shareholders of any Joint Stock Company or the partners in any commercial undertaking should all be on a footing of equality as regards division of profits and payment of obligations, according to the partnership agreement or memorandum and articles of association, the Chinese Government agrees that Chinese subjects joining with Portuguese subjects in the organization of a Portuguese Joint Stock Company or commercial undertaking, legally constituted, shall be liable to the fulfilment of the obligations imposed by the said agreement or memorandum and articles of association, and that Chinese Courts will enforce fulfilment of such obligations in accordance with Chinese commercial law, if a suit to that effect be entered, provided always that their liability shall not be other or greater than that of Portuguese shareholders or partners in the same company or partnership.

"Similarly, Portuguese subjects who invest their capital in Chinese enterprises shall be bound to fulfil the obligations imposed by the partnership agreement or memorandum and articles of association, and the Portuguese Courts will enforce fulfilment of such obligations in accordance with Portuguese commercial law, if a suit to that effect be entered, provided always that the liability of such Portuguese subjects shall be the same as that of the Chinese subjects engaged in the same undertaking.

"But as existing Treaty stipulations do not permit foreign merchants to reside in the interior of China for purposes of trade, such Joint Stock Companies and commercial undertakings may not be established in the interior by Portuguese and Chinese subjects conjointly.

"ARTICLE XV.—As Portugal affords protection to trade marks used by subjects of any other nationality provided a like protection is reciprocated for trade marks used by Portuguese subjects, China, in order to obtain this protection for its subjects in Portuguese territory, agrees to grant protection to Portuguese trade marks against unlawful use, falsification, or imitation by Chinese subjects. To this end the Chinese Government will enact the necessary laws and regulations, and will establish Registration Offices at which foreign trade marks may be registered on payment of reasonable fees.

"Further, the Chinese Government agrees that, as soon as a Patent Office has been established and special laws with regard to inventions have been adopted, it will, after payment of the prescribed fees, issue certificates, valid for a fixed term of years, to Portuguese inventors extending to their inventions the same protection as shall be given to Chinese patents in Portugal, provided that such inventions do not infringe on previous inventions by subjects of China.

"ARTICLE XVI.—The Government of China having expressed a strong desire to reform its judicial system and to bring it into accord with that of Western nations, Portugal agrees to give every assistance to such reform, and will also be prepared to relinquish extra-territorial rights when satisfied that the state of the Chinese laws, the arrangements for their administration, and other considerations warrant it in so doing.

"ARTICLE XVII.—The missionary question in China demands in the opinion of the Chinese Government careful consideration, so as to avert in the future the troubles which have occurred in the past. Portugal, as a nation especially interested in the protection of its Catholic missions in Chinese territory, agrees to join in a Commission to investigate this question, and, if possible, to devise means for securng permanent peace between converts and non-converts, should such a commission be formed by China and the Treaty Powers interested.

"No person, whether Portuguese subject or Chinese convert, who, according to the tenets of Christianity, peaceably teaches or practises the principles of that religion, which aims at teaching men to do good, shall be persecuted or harassed on account of his faith. But converts and non-converts, being alike subjects of China, shall conform to her laws, and shall pay due respect to those in authority, living together in peace and amity; and the fact of his being a convert shall protect no one from the consequences of any offence he may have committed before or may commit after his admission into the church or exempt

him from paying legal taxes levied on Chinese subjects generally, except taxes and contributions levied for the support of religious customs and practices contrary to his faith. Missionaries shall not interfere with the exercise by the native authorities of their jurisdiction over Chinese subjects, nor shall the native authorities make any distinction between converts and non-converts, but shall administer the law without partiality, so that both classes may live together in peace.

"Portuguese missions shall be permitted to rent and lease in perpetuity, as the property of the mission, buildings or lands in all parts of the Empire for mission purposes and, after the title-deeds have been found in order and duly stamped by the local authorities, to erect such suitable buildings as may be required for carrying on their good work.

"ARTICLE XVIII.—The present Treaty shall remain in force for a period of ten years beginning with the date of the exchange of ratifications and until a revision is effected as hereinafter provided.

"It is further agreed that either of the High Contracting Parties may demand revision of the Tariff and the Articles of this Treaty six months before the end of ten years from the date of the exchange of ratifications thereof. If no revision is demanded before the end of the first term of ten years, then these Articles in their present form shall remain in full force for a further term of ten years reckoned from the end of the first term, and so on for successive periods of ten years.

"ARTICLE XIX.—In order to prevent in the future any discussion, this Treaty is written in Portuguese, Chinese, and English, and signed in six copies, two in each language.

"All these versions have the same sense and meaning, but if there should happen to be any divergence in the interpretation of the Portuguese and Chinese versions, the English text will be made use of to resolve the doubts that may have arisen.

"ARTICLE XX.—The present treaty shall be ratified by His Most Faithful Majesty the King of Portugal and Algarves and His Imperial Majesty the Emperor of China.

"The exchange of the ratifications shall be made at Peking within the shortest possible time, and the Treaty will be printed and published in order that the functionaries and subjects of the respective countries may have full knowledge of its stipulations and may fulfil them.

"In faith whereof the respective Plenipotentiaries have signed the present Treaty and have affixed their seals thereto.

"(Sgd.) JOSÉ D'AZEVEDO CASTELLO BRANCO.
"(Sgd.) LÜ HAI-HUAN.
"(Sgd.) SHENG HSUAN-HUAI."

NUMBER 1902/10.

DENMARK (Great Northern Telegraph Company, Ltd.) AND CHINA.

Agreement concerning the Taku-Kiakhta Telegraph Line.—October 22, 1902.*

Inasmuch as the Administration has constructed at great expense a land-line between Peking and Mai-mai-chen, and inasmuch as the purpose of joining the cable between Shanghai and Taku with the Administration's land-line between Taku and Mai-mai-chen is to provide an efficient route for telegraphic correspondence exchanged with Russia and Europe and the countries beyond, the following stipulations have been drawn up between the Administration and the Company, and signed, on the date mentioned below, by the Administration, represented by the Manager and the Assistant Manager of its Head Office at Shanghai, Mr. Chu-pau-fay and Mr. Chow-wen-peng, jointly, and by the Great Northern Telegraph Company, Ltd. (i.e., *la Grande Compagnie des Télégraphes du*

* Translation from the French text as printed in *Recueil*, p. 637. See Note to this document, *post*, p. 379.

Nord, société anonyme), of Copenhagen, represented by its Manager in China, Mr. I. Berner, the two parties having full powers to that effect.

ARTICLE I.—The Administration will place at the exclusive disposal of the Company, free of all payment, a special wire of its line between Taku and Mai-mai-chen or Kiakhta, with intermediate stations at Tientsin and Peking.

If, according to the Administration's and the Company's judgment, the amount of traffic should require it, the Administration is bound to place at the disposal of the Company, on the conditions provided in the present Arrangement for the above-mentioned wire, one more wire of the same line.

The wires should be of galvanized iron, and in conformity with the conditions laid down in the service regulations of the International Telegraph Convention.

The Company will if necessary have the right to establish at Udde, or another station intermediate between Peking and Kiakhta, an automatic transformer (i.e., *translation automatique*), and to install its overseer there.

The Administration undertakes to maintain in good order, and in case of interruption to repair without delay, the wire placed at the disposal of the Company.

If the repairs should not be effected owing to any negligence or default of the Administration, the Company has the right to make representations to the Administration.

If these representations should not result favorably within a reasonable time, the Company would be entitled to effect the necessary repairs itself at the cost of the Administration.

In case of interruption of the wire placed at the disposal of the Company, while the Administration's wires on the same poles remain in good order, the Administration will, if possible, allow the Company to make use of its wires until the wire placed at the disposal of the Company shall have been repaired.

On the other hand, in case of interruption of the Administration's wires, while the wire placed at the disposal of the Company remains in good order, the latter undertakes to transmit by its wire all such messages as may be handed to it by the Administration.

The Company shall have no direct dealings with the public; but if any other company or foreign administration should receive that privilege, it would also be granted to the Great Northern Telegraph Company.

ARTICLE II.—The Administration is obliged to furnish to the Company, free of charge, at its stations in Tientsin, Peking, Mai-mai-chen (or Kiakhta) and Taku (if the line is also operated from that point), two rooms devoted to the exclusive use of the Company, separate from those containing the Administration's instruments, and will pay all the expenses in connection with the working of the wire placed at the disposal of the Company by the Administration. The Company, on its part, will pay the European staff employed at the aforenamed stations.

The Chinese employed for the working of the wire placed at the disposal of the Company will be engaged and paid by the Company, and placed under

the control of the agents of the Company at the respective stations; the Administration will reimburse the Company for these expenses.

The Administration will reimburse the Company for its expenses, under Articles I and II, at the end of each European calendar month.

ARTICLE III.—The Administration will hand over to the Company at the aforenamed stations all international telegrams destined to be transmitted by way of Kiakhta or by the Taku-Shanghai cable.

The Administration will also hand over to the Company, in all cities in China (including Hongkong) where there may be cables, all international telegrams destined to be transmitted by the cables and by way of Kiakhta.

The Company will have the right to send by the land-lines as service telegrams, free of charge, messages in connection with its business.

ARTICLE IV.—The wire placed at the disposal of the Company shall nevertheless be considered as belonging to the Administration, and this stipulation cannot be abrogated by any other Convention which may be entered into by the Administration with any cable company or administration whatsoever.

ARTICLE V.—The Company has the right to install its controllers at the Chinese control stations along the wire placed at its disposal. The controllers of no other Administration or Company are to be admitted.

ARTICLE VI.—Should it be desired by the Russian Telegraph Administration, the working of the wire placed at the disposal of the Company may be connected with that of the Russian telegraphic system directly,—that is, without the intermediation of the Chinese Administration in the transmission of telegrams by the above-named wire to the Russian system and *vice versâ*. In that case, the accounts resulting from the exchange of all telegrams transmitted over the above-mentioned wire by way of Kiakhta will be drawn up and settled directly between the Russian Telegraph Administration and the Company; but the Chinese Administration will have the right to install its controllers, of Chinese or Danish nationality, at the control offices of the Company along the above-mentioned wire within Chinese territory. The controllers of no other administration or company are to be admitted.

ARTICLE VII.—The total revenue of the Administration derived from terminal exchange, over the wire placed at the disposal of the Company, of all telegrams between China and Russia, is to be shared in accordance with the Joint Purse Arrangement of May 1/13, 1897.†

The total revenue of the Administration derived from the terminal exchange, over the same wire, of all telegrams between China (excepting Hongkong) and Europe (excepting Russia) and countries beyond Europe is to be shared in accordance with the Joint Purse Agreement of June 29/July 11, 1896.‡

The total revenue of the Administration derived from the exchange of terminal telegrams from Russia transiting China, whatever be the route followed (including the wire above mentioned), and the total revenue of the Administration derived from the exchange of all other telegraphic traffic (including telegrams to and from Hongkong) transiting China, whatever be the route followed (includ-

† No. 1897/3, *ante*.
‡ No. 1896/3, *ante*.

ing the wire above mentioned), is to be shared in accordance with the two Arrangements cited above.

ARTICLE VIII.—The new line from Shanghai to Chefoo, Taku, Peking and Kiakhta, being intended to serve as an alternative route to that of Vladivostok, the total charges will so far as possible be equalized by those two routes.

ARTICLE IX.—The present Arrangement will remain in force until December 31, 1925, but the Administration has the right to extend it to December 31st, 1930, in which case the Administration should give notice, at least two years in advance, to the Minister of Russia and Denmark at Peking, and to the Company.

It is understood that if the Arrangement between the Administration and the Eastern Extension, Australasia and China Telegraph Company, Ltd., dated October 22nd, 1902, and annexed hereto, should be extended, the present Arrangement would likewise, with the consent of the Government of Russia, be extended to the same date.

ARTICLE X.—In all that is not contemplated by the present Arrangement, the provisions remain in force of: (1) the International Telegraph Convention and the Service Regulations pertaining thereto, and (2) the Russo-Chinese Telegraph Convention concluded August 13/25, 1892, and the Supplementary Declarations § pertaining thereto.

ARTICLE XI.—Notwithstanding the provisions of Articles III and V, the Administration may place at the disposal of the Eastern Extension, Australasia and China Telegraph Company, Ltd.,—but of no other company or administration—a special wire of its line between Peking and Taku for the transmission of international telegrams directed by the senders for transmission by the telegraph system of that Company, and admit its controllers as provided in the above-mentioned Arrangement concluded between that Company and the Administration.

ARTICLE XII.—The present Arrangement is to be ratified by the Wai-wu Pu and by the Minister of Russia and of Denmark at Peking.

In faith of which the undersigned, duly authorized to that effect, have signed the present Arrangement.

Done at Shanghai in the Chinese, French and English languages. Triplicate copies, duly compared and found to agree, have been signed in each of these three languages, the 22nd day of the month of October, 1902, corresponding to the 21st day of the 9th moon of the 28th year of the Reign of Kuang Hsü.

For the Imperial Telegraph Administration of China:

The Manager of the Head Office in Shanghai,

(Sgd.) CHU PAU-FAY.

The Assistant Manager of the Head Office in Shanghai,

(Sgd.) CHOW WEN-PENG.

For the Great Northern Telegraph Company, Ltd.:

Its Manager in China,

(Sgd.) I. BERNER.

Seen and approved:

The Minister of Russia and Denmark,

(L.S.) PAUL LESSAR.

§ For the text of Supplementary Declarations, see No. 1902/11, *post.*

Note.

The text of an Agreement between the Eastern Extension Telegraph Company and the Chinese Telegraph Administration, of the same date, concerning the Taku-Peking Line, is given in *Recueil*, p. 646, as follows:

Agreement between Eastern Extension Telegraph Company and Chinese Telegraph Administration regarding Taku-Peking Line.—October 22, 1902.

"Whereas, by an Agreement dated the 26 October 1900 and made between the Administration, of the one part, and the Great Northern Telegraph Company Limited, of Copenhagen, (hereinafter called 'The Great Northern Company'), of the other part, the Administration agreed to tend to the Great Northern Company a wire on the Administration's line between Ta-ku and Mai-ma-tchin or Kiachta, and to hand over to the Great Northern Company at the stations at Tien-tsin and Peking and Mai-ma-tchin or Kiachta all international telegrams intended for transmission via Kiachta or via the Ta-ku—Shanghai cable;

"and whereas, the Administration and the Great Northern Company subsequently agreed to make certain modifications in the said Agreement, it has been replaced by another Agreement (hereinafter referred to as Agreement III) made between the said parties on the twenty-second October 1902, which will be submitted for confirmation by the Wai-wu-pu simultaneously with this Agreement;

"and whereas it has been arranged for the Administration to place at the disposal of the Eastern Extension Australasia and China Telegraph Company, Limited, a wire on their line between Peking and Ta-ku for transmission of traffic to and from Peking and Tien-tsin, directed via the Eastern Extension Australasia and China Telegraph Company's system, together with office accommodation, on the same terms and conditions as the wire and office accommodation granted to the Great Northern Company, the following stipulations have been agreed on between the Administration and the Company, and, under date below given, signed by the Administration, represented by the manager and the assistant manager of its head office at Shang-hai, jointly, viz: Mr. Chu-pau-fay and Mr. Chow-wen-peng, and by the Eastern Extension Australasia and China Telegraph Company, Limited, represented by Mr. William Bullard both parties duly furnished with full and special powers for this purpose.

"Article I.—The Administration will, as from the confirmation of this Agreement, place at the Company's disposal, free of all payment, a special wire of the Administration's landline between Ta-ku and Peking with an intermediate station at Tien-tsin. If, according to the Company's and the Administration's judgment the amount of traffic should render it necessary, the Administration undertakes to place one more wire at the disposal of the Company, on the said line, on the same conditions as stipulated for the above mentioned wire by the present Agreement. These wires should be of galvanized iron, fulfilling the conditions laid down in the service regulations of the International Telegraph Convention.

"The Administration undertakes to maintan in good working order, and to repair immediately in case of interruption, the wire or wires placed at the disposal of the Company by the Administration.

"If the repairs should not be effected owing to any negligence or default of the Administration, the Company will make representations to the Administration.

"If these should prove of no avail within a reasonable time, the Company shall be entitled to effect the repairs themselves; and charge the Administration the actual cost.

"Should the wire or wires placed at the disposal of the Company by the Administration be interrupted whilst the Administration's wires on the same poles are in working order, the Administration will, if possible, give the Company the use of such wires until the wire or wires placed at the disposal of the Company by the Administration shall have been repaired.

"Should the Administration's wires be interrupted whilst the wire or wires placed at the disposal of the Company by the Administration be in working order, the Company will transmit, by this wire or wires all traffic handed to them by the Administration.

"The Company shall have no direct dealings with the public. If however such privilege be granted to any other foreign company or administration, it shall also be granted to the Eastern Extension Australasia and China Telegraph Company, Limited.

"Article II.—The Administration undertakes to furnish the Company with two rooms for office accommodation in each of their stations at Tien-tsin and Peking, which rooms shall be for the exclusive use of the Company, and separate from the Administration's instrument room, and to pay all expenses in connection with the working of the wire or wires placed at the disposal of the Company by the Administration.

"The Company shall appoint and pay the European staff employed at the aforenamed stations.

"The Chinese clerks employed for the working of the wire or wires placed at the

disposal of the Company by the Administration shall be selected and paid by the Company and shall be under the complete control of the Company's controllers at the respective stations, the Administration reimbursing the Company their expenses in this connection.

"All payments due to the Company under this Article I, shall be made by the Administration at the end of each European calendar month.

"Article III.—The Administration will hand to the Company at the aforenamed stations all British international telegrams which may be directed by the sender via Eastern Extension, as well as other international telegrams so directed.

"The Administration shall likewise hand over to the Company in all towns in China where there may be cables, (Hong-kong included) all international telegrams which are directed by the sender to be transmitted by the Company's system.

"The Company shall have the right to send as service telegrams free of charge over the line messages in connection with the Company's business.

"Article IV.—The wire or wires placed at the disposal of the Company by the Administration shall be considered as the Administration's wire or wires, and this stipulation cannot be abrogated by any other Convention which may be entered into by the Administration with any submarine cable company or administration whatsoever.

"Article V.—The Administration's total revenue of all traffic (except Russian terminal traffic but including traffic to and from Hong-kong) transiting China, whichever be the route followed, including the above mentioned wire or wires, shall be carried to the joint purse account of the Agreement dated eleventh of July eighteen hundred and ninety six, and shall be divided accordingly.

"Article VI.—The Agreement shall continue in force until thirty first of December nineteen hundred and twenty five, the Administration having the option of continuing the same unaltered until thirty first of December nineteen hundred and thirty by giving the British Minister at Peking at least two years previous notice, provided always that if the Agreement made between the Administration and the Great Northern Telegraph Company, Limited, of Copenhagen, dated the twenty-second October, 1902, and to which this Agreement is annexed, be continued this Agreement is likewise to be continued to the same date.

"Article VII.—The present Agreement shall be confirmed at Peking by the British and Chinese Governments within six months of this date of signature.

"In witness whereof the undersigned, duly authorized to this effect, have signed the present Agreement.

"Done at Shang-hai in the Chinese language and in the English language. Three expeditions duly compared and found to be in agreement have been signed in both languages on the twenty second day of the month of October nineten hundred and two, corresponding with the twenty first day of the ninth moon of the twenty eighth year of the reign of Kwang-hsu.

"For the Imperial Chinese Telegraph Administration—the manager of its head office at Shang-hai:

"(Signed) CHU-PAU-FAY.

"The assistant manager of its head office at Shang-hai:

"(Signed) CHOW-WEN-PENG.

"For the Eastern Extension Australasia and China Telegraph Company, Limited:

"(Signed) WILLIAM BULLARD."

In connection with these agreements, see also that of October 26, 1900 (No. 1900/6, *ante*).

NUMBER 1902/11.

RUSSIA AND CHINA.

Supplementary Declaration in regard to connections between the Russian and Chinese Telegraph Lines.—November 27, 1902.*

The Imperial Government of Russia and the Imperial Government of China, having found it advisable to prolong the term of the Convention concluded August 13/25, 1896 [*sic:* should be 1892?—*Editor*], and of the Supplementary Declarations of July 18/30, 1896, and August 25/September 6, 1897, in regard to connections between the Russian and Chinese telegraph lines,† have agreed upon the following.

I.—The Convention and the two Declarations cited above remain in force during the whole period of the Arrangement concluded between the Imperial Telegraph Administration of China and the Great Northern Telegraph Company (i.e., *Grande Compagnie Anonyme des Télégraphes du Nord*) of Copenhagen,‡ that is, until December 21, 1925, or until December 31, 1930, in case that Arrangement is prolonged to that date.

II.—The rates established by the Declaration of August 25/September 6, 1897, remain for the present without change, but will subsequently be modified by an understanding between the two Contracting Parties § in conformity with the provisions which will be drawn up by the International Conference which is to meet at London in 1903.

III.—The terminal charges levied in Russia and in China for telegrams exchanged exclusively between the two countries will be simultaneously reduced, and the exact amount of this reduction will be determined by the two Contracting Parties after the London Conference of 1903.

IV.—Should it be desired by the Russian Telegraph Administration, the service placed at the disposal of the Great Danish Company may be connected with that of the Russian telegraph system directly, that is, without the intermediation of the Chinese Telegraph Administration in the transmission of telegrams over the above-mentioned wire to the Russian Administration, and *vice versâ*. In that case, the accounts incident to the exchange of all telegrams transmitted over the above-mentioned wire by way of Kiakhta will be drawn up and settled directly between the Russian Administration and the Company; but the Chinese Administration will have the right to install its controllers at the control offices of the Company along the above-mentioned wire in Chinese territory. The controllers of no other Administration or Company will be allowed there. It

* Translation from French text as printed in *Recueil*, p. 654.
The text of the Convention of August 13/25, 1892, to which this declaration is a supplement, is not available.

† See Note 1 to this document, *post*, p. 382.

‡ See Article 9 of the arrangement of October 9/22, 1902, between the Chinese Imperial Telegraph Administration and the Great Northern Telegraph Company (No. 1902/10, *ante*).

§ See Note 2 to this document, *post*, p. 383.

is clearly understood that the provisions of the Convention of August 13/25, 1892, and of the two Complementary Declarations of July 18/30, 1896, and August 25/September 6, 1897, not modified by the present Declaration, remain in full force.

Done at Peking the 14/27 of November, 1902, and according to the Chinese calendar, the 28th day of the 10th moon of the 28th year of Kuang Hsü.

(L. S.) (Sgd.) PAUL LESSAR.

Note 1.

The Supplementary Declaration of July 18/30, 1896, reads (in translation from the French text printed in *Recueil*, p. 181) as follows:

Supplementary Declaration regarding Russo-Chinese Telegraph Connections.—July 30, 1896.

"In view of the fact that the provisions contained in Article IX of the Convention concluded August 13/25, 1892, in regard to the connecting of the Russian and Chinese land telegraph lines, stipulate for the settlement of accounts and the levying of charges at a rate for silver which does not correspond with the present actual value of silver, and for the purpose of avoiding the inconveniences thereby caused to the two contracting Governments in their accounts with the Telegraph Administrations of other Governments for international correspondence exchanged among them, the Imperial Government of Russia and the Imperial Government of China have agreed to replace the provision cited, in Article IX of the Convention referred to above, by the following provision:

"'The levying of the rates, fixed by Article VII of the present Convention in gold francs, as also the mutual accounting, will be done in silver money in accordance with the actual rate of exchange of silver.

"'To that end, the Russian and the Chinese Telegraph Administrations will determine annually, at the end of the year as reckoned by the European calendar, the average value of the Mexican dollar in francs,—which value will be used as the rate of exchange during the following year for the levy of charges at all stations of the Telegraph Administration in China and at Hongkong, as also for the settlement of accounts, which is to be done in Hong-ping taels, reckoning 100 Mexican dollars as equivalent to 70 Hong-ping taels.'

"The present provision will come into force as from July 20/August 1, 1896.

"The two contracting Governments are nevertheless agreed that, until the coming into force of the rates which may be fixed by the International Conference of 1896, meeting at Budapest, the rate for the levy of charges, as well as for the settlement of accounts, will be fixed in the following manner: francs 8.50 are considered as equivalent to 2.75 Mexican dollars.

"Peking, July 18/30, 1896, or according to the Chinese calendar, the 20th day of the 6th moon of the 22nd year of the Reign of Kuang Hsü.

"(L. S.) (Sgd.) COUNT CASSINI.

"(L. S. *of the Tsung-li Yamen.*)"

The following is a translation of the French text (as printed in *Recueil*, p. 264) of the Supplementary Declaration of August 25/September 6, 1897:

Supplementary Declaration regarding Russo-Chinese Telegraph Connections.—September 6, 1897.

"The Imperial Government of Russia and the Imperial Government of China, having found it advisable to modify certain articles of the Convention, concluded August 13/25, 1892, for the connecting of the Russian and Chinese land telegraph lines, have agreed upon the following:

"I.—The provision of §3 of Article III of the Convention will be replaced by the following provision:

"'The junction at Kiakhta must be made whenever the Chinese Telegraph Administration has completed the construction of the line between Peking and Kiakhta, but in any case before the end of the year 1898. The work of construction upon this line must be begun during the summer of the year 1897, and must be finished, between Peking and Kalgan, before the end of the same year.'

"II.—The first part of Article VI of the Convention will be cancelled as being superfluous, in view of the fact that the amended version of Article VII embraces and defines

all charges payable to each of the Contracting Parties for the transmission of all telegrams over their lines up to the frontiers.

"III.—The first part of Article VII of the Convention, as far as the words, "The general charge for telegrams exchanged between Europe (excepting Russia)," etc., will be replaced by the following provision:

"'RUSSIA:

"'*A—Terminal charges.*—(1) For telegrams exchanged between any part of China, and Hongkong, on the one hand, and Asiatic Russia east of the meridian of Verkhneudinsk, on the other hand,—francs 0.70 per word; (2) for telegrams exchanged between any part of China, and Hongkong, on the one hand, and Asiatic Russia west of the meridian of Verkhneudinsk, on the other hand,—francs 1.00 per word; (3) for telegrams exchanged between any part of China, and Hongkong, on the one hand, and European Russia (including the Caucasus), on the other hand,—francs 1.50 per word.

"'*B—Transit charges*—(1) For all telegrams, francs 2.25 per word.

"'CHINA:

"'*A—Terminal charges.*—(1) For telegrams exchanged between any part of China, and Hongkong, on the one hand, and any part of Russia (including the Caucasus and Asiatic Russia), on the other hand, francs 1.50; (2) for telegrams exchanged between any part of China, and Hongkong, on the one hand, and Europe (excepting Russia) and countries situated beyond, on the other hand,—francs 4.75; (3) for all other telegrams, francs 1.50.

"'*B—Transit charges.*—(1) For telegrams exchanged between Europe (excepting Russia) and countries beyond Europe, on the one hand, and all other countries, on the other hand, francs 4.75; (2) for all other telegrams, including those exchanged with European Russia, the Caucasus and Asiatic Russia,—francs 2.00.

"'Of the francs 4.75 mentioned above (under headings *A* and *B*), China must pay to the several countries of Europe rates in the proportion determined by the International Telegraphic Regulations in force, and by the tariffs.

"'The charges established by the present article will come into force from June 19/July 1, 1897, and can be modified only by agreement between the two Contracting Parties. The two Governments are agreed, however, that the Chinese charge of francs 1.50 mentioned above, under heading *A*, 1 and 3, will come into force only from a date to be fixed hereafter by joint agreement among the two Governments and the Great Northern Telegraph Company of Copenhagen; until that date, the Chinese charge for the telegrams above mentioned will remain at francs 2.00.'

"IV.—The provision of §2 of Article VIII of the Convention will be replaced by the following provision:

"'The settlement of accounts will take place at the expiration of each month, and the balance will be paid at Shanghai during the twenty-one days following the month to which the balance belongs. The payment must be made in Mexican dollars at the rate fixed for the year according to the provisions of the Supplementary Declaration of July 18/30. 1896.'

"It is clearly understood that the provisions of the Convention of August 13/25, 1892, and of the Supplementary Declaration of July 18/30, 1896, not modified by the present Declaration, remain in full force.

"Peking, August 25/September 6, and according to the Chinese calendar, the 10th day of the 8th moon of the 23rd year of the Reign of Kuang Hsü.

"(*L. S.*) (Sgd.) A. PAVLOW,
Chargé d'Affaires of Russia.
"(*L. S. of the Tsung-li Yamen.*)"

Note 2.

The understanding thus contemplated was embodied in the Supplementary Declaration of January 2/15th, 1905, the translation of which (from the French text as printed in *Recueil,* 724) is as follows:—

Supplementary Declaration regarding Russo-Chinese Telegraph Connections.—January 15, 1905.

"Inasmuch as the provisions of Articles II and III of the Supplementary Declaration of November 14/27, 1902, stipulate that the rates established by the Declaration of August 25/September 6, 1897, are to be modified upon an understanding between the two Contracting Parties in conformity with the provisions which will be drawn up by the London International Conference of 1903, the Imperial Government of China and the Imperial Government of Russia have agreed upon the following:

"I.—Article VII of the Telegraph Convention of August 13/25, 1892, and Article III

of the Supplementary Declaration of August 25/September 6, 1897, will be replaced by the following provision:

"'Telegrams exchanged by the junctions contemplated by Article II of the Convention of August 13/25, 1892, will be subject to the following charges:

"'Russia:

"'*A—Terminal Charges.*—(1) European Russia, francs 1.00 per word; (2) Asiatic Russia, francs 0.50 per word.

"'*B—Transit Charges.*—(1) For telegrams exchanged between America, on the one hand, and China and countries beyond China, on the other hand, francs 2.25 per word; (2) for telegrams exchanged with Bokhara, francs 1.50 per word; (3) for all other telegrams, francs 1.75 per word.

"'China (including Hongkong):

"'*A—Terminal Charges.*—(1) For telegrams exchanged with Europe (excepting Russia) and countries beyond Europe (excepting America), francs 3.75 per word; (2) for telegrams exchanged with America, francs 4.75 per word; (3) for all other telegrams, including those exchanged with Russia, francs 1.00 per word.

"'*B—Transit Charges.*—(1) For telegrams exchanged between Europe (excepting Russia) and countries beyond Europe (excepting America) on the one hand, and all countries beyond China, on the other hand, francs 3.75 per word; (2) for telegrams exchanged between America, on the one hand and all countries beyond China, on the other hand, francs 4.75 per word; (3) for telegrams exchanged between European Russia and Japan, francs 2.00 per word; (4) for all other telegrams, francs 1.50 per word.

"'Of the charges mentioned above, under the headings *China, A,* 1 and 2, and *B,* 1 and 2 (francs 3.75 and francs 4.75, respectively), China must pay the quotas due to the several countries of Europe in conformity with the International Telegraph Regulations in force, and the international tariffs.

"'China furthermore undertakes to arrange with the Great Northern Telegraph Company so that the total charge per word for telegrams transiting China and forwarded by the Russo-Chinese junctions shall not exceed that of the same telegrams going by way of Vladivostok; to that end, China must pay, of the charges mentioned under the heading *China, B,* 1, 2, 3 and 4, as the case may be, the quotas reserved to that company for the cables laid between Shanghai and Nagasaki, and between Shanghai and Hongkong, in the proportions fixed by a mutual understanding between China and the Company.

"'All the charges mentioned in the present article will come into force from July 1, 1904 (New Style), and can be modified only by mutual agreement by the contracting parties. But the two Governments are agreed that the charges indicated above, under the headings *Russia, B,* 3 (namely, francs 1.75), and *China, A,* 1, and *B,* 1 (namely, francs 3.75), less the portion for Europe, are applicable, so far as concerns telegrams sent by the wires operated by the Great Northern Telegraph Company on the Chinese telegraph line from Maimai-chen to Peking and Taku, from the date of the opening of that line to traffic for telegrams transiting Russia.'

"Article II.—As the establishment of a rate of exchange, for the period of a year, of the Mexican dollar, for the levy of charges and the settlement of accounts, involves great disadvantages in view of the frequent fluctuations in the price of silver, Article IX of the Convention of 1892, and the Supplementary Declaration of 1896, are replaced by the following provision:

"'The levying of charges at all the stations of the Telegraph Administration of China (including Hongkong), in accordance with the tariffs established by Article VII of the Convention of August 13/25, 1892, in francs, as also the settlement of mutual accounts, will be done in Mexican dollars in conformity with the actual rate of exchange for the conversion of that money into francs. This rate of exchange will be established by mutual agreement between the Telegraph Administrations of the Contracting Governments, during the course of the month preceding each four-month period of the year, on the basis of the average rate of exchange for the three months preceding that of the establishment of the rate.'

"It is clearly understood that the provisions of the Convention of August 13/25, 1892, and of the Supplementary Declarations of July 18/30, 1896, August 25/September 6, 1897, and November 14/27, 1902, not modified by the present Declaration, remain in full force.

"Done at Peking, the 10th day of the 12th moon of the 30th year of the Reign of Kuang Hsü, and according to the Russian calendar, January 2, 1905.

"(L. S.) (Sgd.) Paul Lessar.

"(*L. S.*) *of the Tsung-li Yamen*
(Sgd.) Prince Ch'ing."

This arrangement was subsequently modified by a further Supplementary Declaration, under date of December 22, 1905/January 4, 1906, of which the translation (from the French text printed in *Recueil,* p. 763) is as follows:

Supplementary Declaration regarding Russo-Chinese Telegraph Connections.—January 4, 1906.

"In consequence of the assimilation of Bokhara to Asiatic Russia in respect to telegraph charges, the Imperial Government of China and the Imperial Government of Russia have agreed to modify as follows the Supplementary Declaration of January 2/15, 1905:

"'The words, *for telegrams exchanged with Bokhara,—francs 1.50 per word,* which appear under the heading *Russia, B,* 2, of Article I of the Supplementary Declaration of January 2/15, 1905, will be considered as struck out from that Declaration as from June 1st of the European calendar.'

"It is clearly understood that all other provisions of the Supplementary Declaration of January 2/15, not modified by the present Declaration, remain in full force.

"Done at Peking, the 10th day of the 12th moon of the 31st year of the Reign of Kuang Hsü, according to the Chinese calendar, and the 22nd of December, 1905 (January 4, 1906)".

NUMBER 1903/1.

PORTUGAL AND CHINA.

Additional Convention regarding the establishment of a customs house at Macao.—January 27, 1903.*

Since, as is contemplated in Article VI of the Convention of 1902 between Portugal and China, there is occasion to draw up regulations for the establishment of a Customs House in Macao, the Inspector General of Customs, Sir Robert Hart, and the Chargé d'Affaires of Portugal, Gabriel de Almeida Santos, both duly authorized and furnished with the necessary instructions, have agreed upon regulations, in eleven articles, drawn up as follows:

ARTICLE I.—Buildings situated upon the inner port and suitable for use as offices and warehouse for the Customs will be placed at the disposition of the Imperial Customs.

ARTICLE II.—The Customs House will be placed under the control of a Commissioner of Imperial Maritime Customs.

ARTICLE III.—Vessels or commercial junks will be met and visited on arrival by officers of the Customs House.

ARTICLE IV.—On entering and on sailing, every vessel or commercial junk must be reported at the Customs House before crossing certain designated limits of the port, and the loading and unloading of cargo can only take place at designated places and under the supervision of the Customs House.

A special anchorage will be reserved for loaded commercial junks: they will not leave this anchorage until after having received a permit for unloading or for departure, delivered by the Customs House.

ARTICLE V.—No merchandise may be loaded or unloaded except upon permission from the Customs House and upon payment of duties in accordance with the treaty tariff.

* Translation from the French text as printed in *Customs,* Vol. II, p. 307.

In connection with this convention see also the supplementary commercial convention between Portugal and China, October 15, 1902 (No. 1902/9, *ante*).

Products being exported, originating in Macao, as also those being imported, of foreign origin or destined for the sustenance of Macao and of its inhabitants, will be exempt from duty. Any product of foreign origin, exempted from duty upon importation, will pay duty in case it leaves Macao in order to enter China by land or by sea.

ARTICLE VI.—Opium will invariably pay duty and *likin,* whether upon entry or upon being taken out from the warehouse, and a certificate of payment will be affixed to each ball of opium, whether or not it is destined for despatch into the interior; but the duties and the *likin* levied upon the quantities of opium fixed annually for local consumption will be repaid monthly by means of a drawback certificate.

ARTICLE VII.—Boats belonging to the office of the Captain of the Port of Macao will be placed at the disposal of the Customs House for the service of meeting and visiting boats or junks upon arrival, but it will be optional for the Customs House to make use of its own boats in order to meet the needs of the service.

ARTICLE VIII.—The service of Maritime Police will be governed in accordance with an understanding between the Imperial Customs and the Government of the Colony. A portion of the cost of this service will be at the expense of the Customs House, and the amount that it is to pay is to be determined annually. For the purposes of control of the Maritime Service, an officer of the Portuguese Navy, delegated by the Captain of the Port, will be attached to the staff of the Imperial Customs House.

ARTICLE IX.—The repressive measures to be adopted against smuggling in the waters and on the territory of Macao will be taken by the Government of Macao in accord with the Commissioner of Customs, and in the neighboring waters and Chinese territory, by the Customs House in accord with the Government of Macao, in order that these measures may, on the one hand, be effective at all points where co-operation is necessary, and that, on the other hand, they may in no way infringe upon the sovereign rights of one or the other party.

ARTICLE X.—So soon as the Imperial Customs House is established in Macao, the Customs stations of Ma-liu-chou and Ch'ien-shan will be closed; but the posts established at different points on Chinese waters and territory for the prevention of contraband will be maintained so long as China deems necessary for the protection of its revenue.

ARTICLE XI.—The present Convention will remain in force as long as the Treaty of 1887: the denunciation of the Treaty would carry with it that of this Convention. Regulations for the procedure to be followed in Customs matters in Macao will be drawn up by agreement between the Government of the Colony and the Commissioner of Customs. Those regulations will be experimental and provisional, and may, if necessary, be modified in conformity with the circumstances and with a view to facility in operation.

In faith of which, the present agreement, drawn up in Portuguese, Chinese and French, has been signed in duplicate at Peking, the twenty-seventh day of January, 1903. (Sgd.) ROBERT HART.

(Sgd.) GABRIEL DE ALMEIDA SANTOS.

NUMBER 1903/2.

GREAT BRITAIN (British and Chinese Corporation, Ltd.) AND CHINA.

Agreement for a loan for the construction of a railway from Shanghai to Nanking.—July 9, 1903.*

This agreement is made the 15th day of the Intercalary 5th month of the 29th year of Kwang-Hsü, corresponding to the 9th day of July 1903, at Shanghai, and the Contracting Parties are:

The Director-General of the Imperial Railway Administration Sheng Kung-Pao (to be called hereafter Director-General), acting under authority of an Imperial Decree, of the one part, and Messrs. Jardine, Matheson & Company, and the Hongkong and Shanghai Banking Corporation, representing as Joint Agents the British and Chinese Corporation Limited (hereinafter called the Corporation), of the other part.

Whereas, on the twenty-third day of the Intercalary third month of the twenty-fourth year of Kwang-Hsü, being the thirteenth day of May 1898, a preliminary Agreement † was signed at Shanghai between the Director-General of the Chinese Imperial Railway Administration, Sheng, acting under the instructions from the Tsungli Yamen, and the British firm of Jardine, Matheson & Company, for themselves and on behalf of the Hongkong and Shanghai Banking Corporation, representing as Joints Agents a British Syndicate, and

Whereas, on the 12th day of December 1902, an Imperial Decree was issued in the following terms: "In view of the important considerations connected with construction of railways in various parts a decree has already been issued apportioning the responsibility for the duties connected therewith. Hereafter the accounts of receipts and disbursements are to be prepared by Sheng Hsuan Huai, and communicated by him for the examination of the High Authorities of the Provinces through which the railways pass, and subsequently for submission in a joint memorial to the Throne. When a line of railway has been surveyed, before the work may be begun, plans and specifications must be communicated to the High Authorities above-mentioned, who will depute an official to ascertain that there are no objections. Should Sheng Hsuan Huai enter into an agreement with a foreign syndicate he must before signing such agreement obtain the assent of the High Provincial Authorities, and a copy of such agreement must be submitted to the Throne in a joint memorial" and

Whereas, on further consideration it has been found necessary to make certain alteration in the aforesaid preliminary agreement, now therefore it is agreed that this final Agreement shall be substituted for the preliminary agreement above referred to.

ARTICLE 1.—The Corporation agrees to issue on behalf of the Railway Administration, a sterling loan (hereinafter referred to as the loan) for an amount

* Text as printed in *Wang*, p. 221. Printed also in *Rockhill*, p. 286.
† Note 1 to this document, *post*, p. 402.

not exceeding £3,250,000 sterling on the terms and conditions hereinafter contained. Imperial Chinese Government bonds are to be issued for the entire sum, similar to the bonds of the Imperial Railways of North China, with the Railway as first mortgage security therefor. The loan shall be issued in two or more parts, and each series is to be in such amount as the Engineer-in-Chief may determine under direction of the Director-General and the Corporation, in accordance with the extent of the work to be undertaken, so as to prevent the Chinese Government from suffering undue loss of Interest. The price agreed upon for the loan is 90 per cent. of the nominal value, and any loss or profit in selling these bonds to the public shall be borne by or go to the Corporation. The interest on the bonds shall be at the rate of 5 per cent. per annum on their nominal value, and be payable half-yearly.

The duration of the loan is fixed at fifty years, commencing from the date of ratification of this Agreement, but no interest will be paid on any bonds which may be redeemed or cancelled under the terms hereinafter mentioned after the redemption or cancellation thereof.

On the face of each of these bonds shall be expressed the value thereof in the sum of £100, or in such different amounts as the Chinese Minister in London in consultation with the Corporation may sanction.

If any of the bonds or net profit certificates hereinafter mentioned are lost or destroyed a re-issue of any thereof is to be made in the amounts respectively called for by such lost or destroyed bonds or certificates but proper proof of the loss or destruction must be given in the usual form to the Corporation and the Chinese Minister in London for examination and record, and the requisite guarantee is to be obtained by the Corporation from the respective claimants concerned.

Article 2.—The proceeds of the loan are to be used in the construction and equipment of the railway, and in paying interest on the loan during the course of construction.

The Corporation shall build and equip as economically as possible in accordance with the best modern system, the line from Shanghai to Nanking, it being hereby agreed that the Chinese Administration shall secure the necessary land for a double line of railway for the whole distance, as well as other facilities for the purposes of the construction and working of the line.

When the line is completed if there is a surplus from the sale of bonds the said surplus shall be at the disposal of the Chinese Government for redeeming the bonds, or to be placed through the Director-General in a bank on deposit for the purpose of paying interest on the loan or for developing business beneficial to the Shanghai-Nanking Railway, all to be arranged at the proper time between the Director-General and the Corporation. Should Chinese themselves build branch lines to act as feeders to this railway, it is understood that the system of construction and equipment thereof shall be adopted by such branch lines in order to facilitate through connection.

In all matters relating to the construction and administration of the Railway by the officials of the British and Chinese Corporation it is expressly agreed that particular heed shall be paid to the opinions, habits, and ideas of the Chinese

people and that when practicable Chinese shall be employed as far as possible by the Board of Commissioners in positions of trust and responsibility in connection with the railway.

In regard to the earthwork or such other work as Chinese are competent to perform, contracts shall be entered into for such work with Chinese under the sanction of the Director-General or his deputy, said work itself to be in accordance with plans and specifications of the Engineer-in-Chief and under his supervision.

In the further and final survey, detailed plans and estimates of cost, whether of the respective sections of the main line or of any extensions, branches, or alterations of the same, are to be submitted to the Board of Commissioners for the approval of the Director-General.

Article 3.—The loan shall be secured by mortgage now entered into in equity, and shall as soon as possible hereafter be secured by a specific and legal first mortgage in favor of the Corporation upon the railway not completed between Woosung and Shanghai, and also on all lands, materials, rolling-stock, buildings, property, and premises of every description purchased or to be purchased by the railways herein referred to, and on the last-mentioned railways themselves as and when constructed and on the revenue of all descriptions derivable therefrom.

The provisions of this article in respect of the mortgage are to be construed and treated as of the same purport and effect as a mortgage customarily executed and delivered in England to a trustee for the purpose of securing loans and bond issues upon railway properties.

Article 4.—According to Article 1 of this Agreement it is provided that the loan is to be paid in instalments from time to time as the work proceeds. It is hereby agreed that within eight months after this Agreement is officially signed and ratified the Corporation shall pay the first instalment to meet the requirements for the work, whether the proceeds come from the sale or hypothecation of the bonds or from advances made, provided the appropriate series of bonds for the required instalment of such loan shall have been executed and delivered. If after the expiration of twelve months from the date of the ratification hereof the work of construction shall not have been begun on the main line, this Agreement is to become null and void.

Of the proceeds realised from the sale of the bonds, after deducting so much of them as may be required to be kept in England for the purchase of materials and payments of contracts there, such amounts as may be estimated and certified to by the Engineer-in-Chief to the Board of Commissioners hereafter mentioned as being actually required for the construction of any particular section of the main line shall be ordered by the Board of Commissioners after consideration to be transferred to Shanghai to be kept in the Hongkong and Shanghai Bank, or such bank or banks as may be mutually agreed upon, and placed to the credit of the construction account of the Railway Administration for the exclusive purpose of building such section or sections of the railway herein provided for under the supervision of the Board of Commissioners.

On such occasion of a remittance being made to China the amount realised

in sycee will be reported to the Director-General, and any portion which may not be required shall be placed at interest. Similarly the balance in England shall be placed at interest.

The accounts of the money spent from time to time in England, and of the money transferred to the credit of the construction and other accounts for use in China, are to be submitted quarterly to the Board of Commissioners for examination and for report to the Director-General for the information of the Wai-Wu-Pu, and for his further report to the Board of Revenue and the Bureau of Mines for record therein, after such accounts have been approved and signed by him.

ARTICLE 5.—The dates of the bonds mentioned in Article 1, and of the certificates mentioned in Article 12 of this Agreement shall be of even date with this Agreement. Interest shall begin to run upon the bonds only from the date of their respective sales and deliveries to the public, and due adjustment of such interest will then be made with respective purchasers for any fractional period of time thereafter covered by the coupon next maturing. For the purpose of such adjustment the then correct interest may be reckoned from the nearest first or fifteenth day of the month in which the sale and delivery occur as the case may be.

Coupons which have theretofore matured are to be cancelled and delivered to the Chinese Minister in London for transmission to the Railway Administration.

As to the form of bond, it is to be agreed upon by the Director-General or by the Chinese Minister in London and the British and Chinese Corporation at the same time as this Agreement is signed, but if hereafter the money markets in London or other countries require the modification of the form of the bond, except in any thing that affects the amount of the loan, the rate of interest, the period of the loan, and the liability of the Chinese Government, which are not to be touched at all, such slight modifications may be made to meet the views of the money markets by the Corporation in consultation with the Chinese Minister in London.

Any modifications are to be reported at once by the Corporation to the Director-General for the approval of the Wai-Wu-Pu.

The bonds and the net profit certificates referred to in Article 12 are to be engraved entirely in the English language, and shall bear the fac-simile of the signature of the Director-General and of his seal of office, in order to dispense with the necessity of signing them all in person. But the Chinese Minister in London is to sign each of the bonds and certificates and put his seal thereon as required, as a proof that the issue and sale of these bonds as well as the certificates are duly authorized and binding upon the Chinese Government.

Such bonds or net profit certificates are to be numbered consecutively, and as many bonds or certificates as may be needed are to be properly engraved under the supervision of the Corporation.

The loan bonds herein referred to, as soon as they are engraved and signed and sealed by the Chinese Minister in London as hereinbefore provided, are to be countersigned by the Corporation.

The Chinese Minister in London and the Corporation are to agree upon the selection of a proper safe deposit in London to keep these bonds, subject to the needs and requirements of the Corporation, so as to enable it during the progress of the Construction to sell these bonds after having been signed and sealed by the Chinese Minister in London in separate lots from time to time, or hypothecate the same in order to raise money to pay for the construction of the railway or any of the branch lines as may have been approved by the Director-General.

When the second and subsequent issues are about to be made, if the Corporation receives sufficient notice from the Director-General that subjects of China wish to take up a portion of the issue, the necessary amount of bonds will be set aside for Chinese subscribers, to whom the bonds will be sold at the same price, and on the same conditions as those sold to the public in London. If possible, arrangements will be made for issuing these bonds and paying the interest thereon, in China, at the current rate of the day.

The amount of the loan is fixed at £3,250,000 for the purpose of constructing and equipping the main line of the Shanghai-Nanking Railway, in accordance with the survey and estimates of the Engineer-in-Chief as approved by the Director-General.

The first issue of bonds shall be made in London in such amount as may seem necessary for the work to be undertaken, but before the second or subsequent issues are made the Corporation shall give sufficient notice to the Chinese Minister in London, in order that if the Chinese Government has funds at its disposal at the time it may place such funds to the credit of the construction account of the Chinese Railway Administration, to be used in the same manner as the proceeds of the loan, and in that event the total amount of the loan of £3,250,000 shall be reduced by the amount thus supplied by the Chinese Government.

It is also agreed that the moderate charge for the safe deposit of the bonds is to be paid from the general accounts of the railway. Beyond this all expense for the engraving and the sale of the bonds and such like are to be borne by the Corporation. On withdrawal or deliveries of bonds the Safe Deposit Company shall notify the Chinese Minister in London.

ARTICLE 6.‡—When the work of construction is ready to begin the Director-General shall appoint a Board for supervising the construction and operation of the railway, to be called the Board of Commissioners, whose head office shall be at Shanghai. The members thereof shall be five, of whom two are to be Chinese, one to be appointed by the Director-General and one by the Director-General in consultation with the High Authorities of the Province through which the line passes, and besides the Engineer-in-Chief there shall be two British members selected and appointed by the Corporation. The salaries of these five members are to be fixed by the Director-General and the Corporation, and to be paid from the general accounts of the railway. The regulations for the guidance of the Board of Commissioners shall be subsequently drawn up by the Director-General in consultation with the Agent of the British and Chinese Corporation. In case of disagreement between the Chinese and the British

‡ See Note 2 to this document, *post*, p. 404.

members the matter shall be referred to the Director-General and the Agent of the Corporation resident in China for adjustment in an amicable way.

The appointments and functions of all the employees of the railway, Chinese and foreigners, with the exception of the Engineer-in-Chief, who shall be nominated by the Corporation and approved by the Director-General, as well as their salaries, including those of the officials of high rank referred to in the following paragraphs, are to be made and fixed by the Board of Commissioners and reported to the Director-General. In the case of important appointments the same shall be first reported to the Director-General by the Chinese members of the Board.

In addition to the Board of Commissioners, the Viceroy (the Superintendent of Southern Trade) may also appoint an official of equal rank with the abovementioned two Chinese officials, whose duty will be to make report for the information of the High Provincial Authorities on the state of the railway accounts, the progress of the work, and the management of the railway. To this end he will be granted every facility by the Board of Commissioners, who will always give him access to the records of the head office at Shanghai. But this official shall not in any way interfere with the Board in the performance of its duties. The salary of this officer shall be the same as that of the two Chinese members of the Board, and be paid out of the railway account.

The functions of the Engineer-in-Chief, who will at all times give courteous consideration to the wishes of the High Provincial Authorities and the Director-General, shall be limited to the construction and operation of the line, and the management of affairs connected with the railway. No foreigners employed in the railway shall be allowed to treat Chinese officials with disrespect, or interfere in local affairs, or usurp the authority of local officials; and should any such be guilty of riotous conduct, or of wounding and maiming Chinese, the same shall be dismissed on complaint being made by the Director-General.

As the progress of construction reaches any particular province the appointment, under the Imperial sanction, of a Chinese official of high rank shall be made in such province by the Director-General for facilitating the settlement of any local matter with the Provincial Government concerned.

For the service of the railway any Chinese of official rank and competent for the work may be recommended by the Board of Commissioners to the Director-General for employment, under the formality of a letter of appointment.

For the important offices of the railway foreigners of ability and experience shall be employed. In the engineering and traffic departments competent Chinese may also be employed and all employees, whether Chinese or foreigners, if incompetent in their work or unsatisfactory in their behaviour, may be dismissed at any time by the Board of Commissioners, and the dismissal shall be reported to the Director-General. The Chinese and British members of the Board when ill or absent may be represented at the Board by available substitutes. In the case of the Chinese members the substitutes must be approved by the Director-General, and in case of the British members by the Corporation.

When deemed necessary a school for the education of Chinese in the con-

struction and working of railways shall be undertaken by the Board of Commissioners, subject to report to and approval by the Director-General.

The accounts of the receipts and disbursements of the railway are to be kept by a Chief Accountant, whose records and books are at all times open to the inspection and examination of the Board of Commissioners. All the accounts of the railway construction and operation are to be kept in Shanghai currency in the English and Chinese languages, with the combined signature of a Chinese and British official. The staff of the Chief Accountant's department shall be composed of Chinese and foreigners, who must be satisfactory and reliable men.

ARTICLE 7.§—Under the provisions of Article 3 of this Agreement the properties covered by the first mortgage security hereby created include the railway, its property and equipment, said mortgage to be executed by a deed in the usual form as contemplated by the said Article. But subject to the guarantee and mortgage thus given by the Chinese Government, it is hereby declared that this railway is in fact a Chinese property.

All the lands that may be required for a double line of railway from Shanghai to Nanking and for the double track-sidings, stations, repairing shops and car-sheds to be provided for in accordance with the detailed plans now made or hereafter to be made by the Engineer-in-Chief, and approved by the Director-General, shall be acquired by the Railway Administration, whether in whole or in part, according to the means at its disposal at the actual cost price of the land. The cost of such land is not to exceed £150,000.

The titles to the land for the line and of all other lands shall be free from all encumbrances or entanglements, and shall from time to time as soon as secured be registered in the name of the railway.

For such money as may be provided by the Railway Administration for the purchase of land there shall be allowed yearly interest at the rate of 6 per cent., to be paid by the railway after the fixed charges and maintenance and interest of 5 per cent. on the bonds shall have been met.

Notices of such purchases (together with corresponding title-deeds) are to be transmitted by the Railway Administration under the direction of the Director-General to the local agent of the Corporation for record and preservation in its office in Shanghai, and for the purpose of establishing the first mortgage security (and thereafter for the return to the Railway Administration) as hereinafter in this article provided in respect of railway lands and properties. When the term of this Agreement expires all the title-deeds shall be surrendered and returned to the Railway Administration.

The amount to be advanced to the Chinese Railway Administration for any land within the survey limits shall altogether not exceed the sum of £150,000, for which yearly interest at the rate of 6 per cent. shall be allowed from the receipts of the railway. It is understood that any land bought by the Chinese Railway Administration with their own money outside of the survey limits, but needed for future requirements, shall be on the Chinese Administration's own account, and no interest shall be allowed on the price thereof.

§ See Note 3 to this document, *post*, p. 408.

It is further agreed that if the British and Chinese Corporation is called upon to provide means for the acquisition of the lands, whether by the sale of bonds or by advances from other sources, the Chinese Government guarantees to procure and protect all the lands that are required for the line of railway.

All lands the title-deeds of which are lodged with the Corporation as part of the first mortgage security of the loan shall not be disposed of in any way by hire, lease, or sale to any party for any purpose whatever without the written consent of the Chinese Administration.

It is also agreed that the lands thus bought, whether from Chinese or British advances, shall be free from all entanglements arising from the removal of graves or from prejudices of "fengshui," and shall be conveyed by full and sufficient deeds of assignment according to Chinese law, all of which are to be kept and recorded in the Shanghai office of the British and Chinese Corporation, and to be held by it as a first mortgage security for the bonds under the provisions of this Agreement until such time as principal and interest of the bonds, together with all indebtedness, shall have been paid off, when the same shall then be returned to the Chinese Railway Administration.

For the proper protection of the first mortgage security the Chinese Government undertakes that until the bonds shall have been redeemed, and the net profits on the net profit certificates shall have been paid, no part of the lands comprised in the mortgage security or the railway with its appurtenances shall be transferred or given to another party, or shall be injured, or that the rights of the first mortgage shall be in any way impaired.

It is likewise agreed that until the interest and principal of the loan and all indebtedness shall have been paid off, or unless with the express consent in writing of the Corporation, the Chinese Government or the Chinese Railway Administration shall not again mortgage the above properties to another party, whether Chinese or foreign.

During the period of this agreement no special taxes shall be levied by the Chinese Government on the railway, its appurtenances or earnings; but all taxes at present payable, such as land tax, as well as any taxes which the Chinese Government may hereafter institute, such as stamp duty, etc., and which may be applicable generally to all commercial transactions in China, shall also apply in the case of the railway and its operations.

The first expense in railway construction being the purchase of land it is agreed that as soon as the survey is made the Corporation shall advance to the Railway Administration sums as required to pay for the land purchased. For such advance the Woosung railway, with all its property, shall be given as first mortgage security, and interest at the rate of 6 per cent. per annum shall be allowed until the first portion of the loan has been floated, when such advances shall be repaid from the first proceeds of the loan.

As owing to the unwillingness of owners to sever their land it may become necessary for the Railway Administration to acquire more land than is actually necessary for railway purposes, the Railway Administration may do so in view of future requirements, but it is understood that any land bought from funds so advanced, out of the survey limits, shall be on the Chinese Administration's

own account. When the purchase of all the land is completed, and the total amount thus expended is ascertained, an additional issue of bonds for an amount not exceeding £250,000, including the £150,000 referred to in this article, shall be made in order to repay the sums spent in the purchase of land.

Such bonds shall be similar to the bonds mentioned in Article 1 of this Agreement, and shall have the same guarantee and same mortgage security and same treatment, with, however, this difference, that they shall be redeemable at par at any time on giving six months' notice, and that the rate of interest shall be 6 per cent. per annum. The interest on such portions of this loan as is applied to the purchase of land outside of the Engineer-in-Chief's survey shall in the first place be paid out of the Chinese share of the net profits of the railway, and failing this then out of the earnings of the railway.

As the object which the Railway Administration has in view is that all railway lands should be Chinese property, the additional loan of £250,000 shall be paid off as soon as practicable. Nevertheless, although such bonds may be redeemed, the land occupied by the railway within the survey limits shall continue as mortgage security under the terms of this Agreement.

Article 8.—It is agreed that if the half-yearly interest of the bonds is not paid on any due date thereof, or if the principal of the loan remains unpaid at maturity of the same, the whole railway with all its appurtenances herein mortgaged to the British and Chinese Corporation for the bondholders shall be handed over to the Corporation to be dealt with by it according to law, in such manner as will insure the proper protection of the interests of the bondholders. When the whole loan and the interest due thereon and all indebtedness shall have been paid off, the railway, with all its appurtenances, in good working condition shall revert to the possession and management of the Chinese, according to the provisions of this Agreement.

Article 9.—As remuneration for superintendence and services the Corporation shall receive 5 per cent., on the entire cost of all materials purchased for the Railway.

It is agreed that all materials required for the railway shall be purchased in the open market at the lowest price obtainable, but it is understood that all such materials shall be of good and satisfactory quality. Invoice and inspector's certificates are to be submitted to the Chinese Administration.

With a view to encouraging Chinese industries Chinese materials are to be preferred, as also the products of the Han-yang Iron Works, provided price and quality are suitable.

No commission will be allowed to the Corporation on the purchase of materials except as herein provided. All trade discounts or rebates, if any, are to go to the construction account.

Article 10.—In the construction of the line, in the working of the railway, and in the performance of the different kinds of business connected with the railway, no interference or obstruction by Chinese or foreigners will be permitted. The Chinese Government will provide protection for the line while in construction or when in operation, and all the properties of the railway, the combined enterprise of the Chinese Administration and British and Chinese Corporation,

as well as all foreigners and Chinese employed therein, are to enjoy the utmost protection from the local officials, civil and military, in the provinces through which the railway passes, particularly on occasions of local disturbance or of obstruction by natives.

The Board of Commissioners are authorised to maintain a railway police of Chinese with Chinese officers for the protection of the line. Their wages and maintenance are to be wholly defrayed by the railway. In the event of the railway requiring further protection by the military forces of the Imperial or Provincial Government the same will be duly applied for by the Director-General and promptly afforded, it being understood that such military forces, although transported free by the railway, are to be maintained at the expense of the Government or the Provinces, as the case may be.

The railway police may not interfere with matters outside the railway.

ARTICLE 11.—In connection with the railway there shall be established and maintained a proper signaling service, which shall include such telephone and telegraph conveniences as may be found necessary to use along the line of the railway and its branches for the exclusive purpose of regulating the movement of trains and other incidental business of the railway, and such telephones and telegraphs shall not be used in or interfere with the rights and privileges of the Telegraph Administration.

It is further agreed that the Corporation may, in consultation with the Director-General, also establish and maintain in connection with such railway or its branches such other necessary adjuncts of modern railway operation as it may find expedient for the support of the railway, such as repair and manufacturing shops, docks, steamers, ferries, storage warehouses, etc.

ARTICLE 12.—It is agreed that after deducting from the income of the railway the working and other expenses as described below, the Corporation shall receive 20 per cent. of the net profits, to be represented by and in form of certificates to an amount equal to one-fifth of the cost of the line. These certificates carrying no interest, they are to have a term of fifty years and declared face value of £100 each, and are to be issued to the Corporation at the same time as the loan bonds, and in amount proportionate to the respective series of such bonds to the amount of one-fifth of the aggregate thereof. And it is understood that if there is an issue of the loan bonds in excess of the requirements of the railway, and such excess is retired or cancelled, a like proportion of these certificates shall likewise be subject to retirement.

Before the expiration of the term of fifty years the Chinese Administration shall have the right at any time to redeem these certificates at their face value. After the expiration of fifty years the certificates shall be null and void and need not be redeeemed, but if any net profits shall have accrued on such certificates prior to their redemption or maturity, said accrued net profits must be paid before the same are cancelled.

The Chinese Railway Administration is entitled to issue and receive like net profit certificates (to be in form appropriate for use in China and unlimited in their term, as also without redemption features) to an amount equal to the remaining four-fifths of the loan. These Chinese certificates may be issued in

whole or in part whenever desired by the Director-General, but the net profits will be retained and used by the Railway Administration for the purpose of accumulating a fund to be derived from such share of net profits as may accrue thereon wherewith to pay off any loan bonds which may from time to time be redeemed under the provisions of this Agreement, or for generally reducing or ultimately discharging railway loan obligations whenever or wherever desirable by means of the profits of the railway. But such Chinese certificates may, however, be used in part by the Railway Administration if necessary in payment of lands which are essential to the railway, and which cannot otherwise be conveniently acquired by it.

The yearly income of the railway shall be subject to a deduction of all working expenses, cost of maintaining and repairing the railway, renovating or replenishment of engines and rolling-stock, and all expenditure connected with the business of the railway, and subject to the payment of interest on the bonds at 5 per cent. per annum (and of interest of 6 per cent. per annum on the cost of the land provided by the Chinese Administration, or provided by an advance from the British and Chinese Corporation), whatever is left of the gross income is considered to be net profits, of which one-fifth is to be given to the Corporation for disposal as it may see fit. If the loan bonds shall have been all redeemed according to the provisions of this Agreement before the net profit certificates issued to the Corporation have been redeemed, or shall have lapsed by effluxion of time, the Corporation shall be permitted to have a representative in the railway office (whose salary is to be paid by the Railway Administration) to inspect the accounts of the railway.

The duties of this officer are those of an accountant who is to protect the interests of the foreign holders of net profit certificates until such time as these certificates shall have all been redeemed or lapsed by effluxion of time, when the services of such accountant shall be dispensed with.

Article 13.—The British and Chinese Corporation are hereby appointed trustees for the bondholders and holders of net profit certificates, and in any future negotiations respecting these loans or matters arising in connection therewith, which may take place between the Railway Administration and the Corporation, the latter Corporation shall be taken as representing the bondholders and holders of the net profit certificates, and as empowered to act on their behalf.

Article 14.—All materials of any kind that are required for the construction of the main line or branch lines, whether imported from abroad or from the provinces to the scene of the work, shall (following the precedent of the Northern Railway) be exempted from Customs duty and likin. The bonds of this loan together with their coupons, the net profit certificates and the income of the railway, shall be free from imposts of any kind by the Government of China.

As to the *likin* for goods or passengers which may be transported over the lines from to or through the different provinces, the Director-General will confer with the Government Bureau of Mines and Railways and the Board of Revenue with a view to devising means to protect the traffic of the railway, and those

who may use the railway for the transport of their goods, from illegal impositions and other abuses.

If the arrangements for the levy of *likin* over other railway lines is found to be more advantageous than that of the railways mentioned in this Agreement, the same advantages shall be extended to and enjoyed by the Shanghai-Nanking Railway, and by those who make use of the same.

ARTICLE 15.—It is agreed that during the time of the construction of the line the yearly 5 per cent. interest on the bonds and 6 per cent. interest on the amount spent in the purchase of the land are to be paid from the proceeds of the loan. The accruing interest from any proceeds of the loan not used during the period of construction, and the earnings from the working of any sections as they are built, are to be used to make up the amount required for the payment of the said interest, and if any deficiency remains it is to be met from the proceeds of the loan.

When the construction of the line is wholly completed the interest on the bonds and on moneys spent in purchasing the land are to be paid from the earnings of the line every half-year on the first day of June and first day of December.

It is hereby agreed that the amount required for the payment of interest and repayment of principal, together with a sum of one-quarter of 1 per cent. on such amounts to cover commission to the Hongkong and Shanghai Banking Corporation, who are hereby appointed agents for the service of repaying the loan, shall be paid to them in Shanghai fourteen days before the due dates, in Shanghai sycee sufficient to meet such payments in sterling in London, exchange for which shall be settled with the Hongkong and Shanghai Banking Corporation on the said date of payment at the rate fixed at the time of settlement.

The Chinese Government undertakes and hereby promises to pay the principal of the loans and the interest on the loans on the due date fixed therefor. If at any time the earnings of the railway and proceeds of the loan are not sufficient to pay the interest of the bonds the Railway Administration is to devise means for supplying the deficiency; and should its inability to do so appear probable the Director-General will memorialize the Government to take measures to make up the deficiency from other sources, and thus be ready to pay off the indebtedness, so that the required amount may be placed in each case at least fourteen days previous to the due date of such interest in the hands of the Hongkong and Shanghai Banking Corporation in Shanghai.

ARTICLE 16.—In places along the line of railway where the Hongkong and Shanghai Banking Corporation has no agencies, and where it does not intend to establish any agencies, business relations are to be cultivated with the Chinese Imperial Bank and its local agencies, it being the intention of the British and Chinese Corporation to utilise the Imperial Bank as much as practicable for facilitating the movement of funds.

ARTICLE 17.—The Corporation may, subject to all its obligations, transfer or delegate all or any of its rights, powers, and discretions to their successors

or assigns, but the Corporation, which is a Corporation formed under English law, shall not transfer its rights under this Agreement or the management of the railway to other nations or people of any nationality except British or Chinese. Similarly the Railway Administration shall not transfer any of its rights under this Agreement to persons of other nationality.

It is further agreed that without the express consent in writing of the Director-General and the British and Chinese Corporation no other rival railway detrimental to the business of the same is to be permitted, and no parallel line to the Shanghai-Nanking Railway is to be allowed to the injury of the latter's interest within the area served by the Shanghai-Nanking main line or branch lines.

Article 18.—If on account of contingencies beyond the control of the Corporation, such as war or very great political changes in China or elsewhere, occurring before the publication of the prospectus of the issue of an important series of bonds of the loan hereby concerned, the foreign money markets are affected, or the construction of the railway is so obstructed that work cannot be carried on, the Corporation will be allowed a reasonable extension of time for floating such loan or the bond issues thereof, or for the commencement or completion of the construction of the railway. But if bonds have already been issued and interest already become payable thereon, then the work cannot be suspended or postponed unless subject to the exceptions mentioned in the preceding paragraphs.

When the Agreement has been ratified the work shall be begun as soon as possible, and if the Chinese Railway Administration desire, each section will be pushed on as rapidly as practicable. From the date of ratification a limit of five years shall be allowed for the completion of the whole line, subject to the preceding exceptions mentioned in this Article, and if this period is exceeded, unless with the consent of the Chinese Administration, the Corporation shall forfeit its one-fifth share of net profits already earned during the previous five years, and shall not begin to participate in such net profits until the line has been completed.

Article 19.—In the working of the railway the tariff for fares and freights is to be prepared by the General Traffic Manager, and submitted to the Board of Commissioners, who shall, after due consideration of existing tariffs of other railways in China, approve an economical rate.

The General Traffic Manager is likewise authorized to make arrangements, subject to the approval of the Board of Commissioners, with connecting railways of other companies for through rates of fare and freight.

In case of military operations, whether on account of foreign war or internal insurrection, the movement of troops, ammunition, and stores by the Chinese Government, and in case of famine or other great public calamity the dispatch of relief, shall, on the requisition of the Director-General, have preference over the line at half of the tariff rates.

Nothing to the injury of China shall be allowed to be carried over the line, neither shall the line be used to the detriment of China.

ARTICLE 20.—In the Preliminary Agreement, dated 13th May, 1898 (23rd day of intercalary third month of the twenty-fourth year of Kwang-Hsü), it is stipulated that the Railway Administration has the right to redeem the loan at 102½ per cent. after twelve and a half years, and at par after twenty-five years. It is now agreed that if at any time after the lapse of twelve and a half years from the date of the issue of the bonds the Chinese Railway Administration receives instructions from the Chinese Government to cancel any of the bonds or any of the net profit certificates, the Director-General shall, not less than six months previous to the proposed redemption, notify in writing the Agent of the Corporation in Shanghai declaring the number of bonds or the number of net profit certificates so required to be redeemed and cancelled.

The Agent of the Corporation shall immediately on the receipt of such notice in writing, proceed to make arrangements for the desired redemption by drawing lots, and taking other proper steps in the way customary in London, of the number of bonds or net profit certificates in such quantity as may be required. And as soon as the Railway Administration, under instructions from the Chinese Government, shall remit the proper amount according to the redemption price of the bonds or the redemption price of the net profit certificates, together with the interest due on the bonds, or the net profits due on the certificates, a notice shall be published in two of the most prominent papers in London, and in such other financial centres as may be agreed upon with the Chinese Minister for four weeks. At the expiration of the four weeks, and on the day fixed for the redemption, the Corporation shall cause the usual lots to be drawn for the redemption of the bonds or certificates, and shall pay over the respective prices of the same to their respective holders, and shall thus redeem the bonds or net profit certificates and cancel them, and thereupon the same are to be delivered to the Director-General, or the Chinese Minister in London, for return to the Director-General.

All the loan bonds, and the net profit certificates shall express that they are redeemable at any time on the conditions mentioned in the preceding paragraph, and shall state that the payment of any interest for the bonds, and the participation of any of the net profits by the certificates so drawn by lot, entirely cease from the date mentioned by the published notice of the Corporation. The amount required for the redemption shall, however, have to be got ready and placed in the hands of the Hongkong and Shanghai Banking Corporation before such redemption is carried out.

The loan bonds, if redeemed before twenty-five years from the date they were originally issued, shall be paid for with a premium of 2½ per cent. over their face value (*i.e.*, £102, 10s. will be required to pay for £100), but after twenty-five years from the date of issue to the expiry of the term of the loan the bonds may be redeemed without payment of any premium. If any interest is still due on any of the bonds at the time of redemption, such interest shall have thereupon to be paid in full. As to the net profit certificates, if they are redeemed within the term of their duration they are to be paid for according to their face value, and if such certificates run to the end of their term they become

null and void and no price need be paid on them, nor need they be redeemed, but any net profits still due on them shall have to be fully paid up according to their amounts before the same are cancelled.

ARTICLE 21.—If any proceeds of the sale of bonds are lying unused and bearing interest on their deposit whilst the construction of the railway is going on, such interest is to go to the general account of the Chinese Railway Administration, in order that the Railway Administration may enjoy the full advantage thereof.

It is also agreed that if the Corporation shall find it necessary, before the sale of any of the bonds, to advance any money for the work, the expense of effecting such advances, together with the interest thereon, not exceeding a charge of 6 per cent. per annum shall be deducted from the interest derived from the above-mentioned unused proceeds of the sale of the bonds, or otherwise to be provided for in the construction accounts. It is further agreed that the proceeds of the first sale of the bonds immediately following any such advance shall be used to pay off the said advances, so as to save the cost of the aforesaid charge.

ARTICLE 22.—If any of the bonds still remain unredeemed, when the fifty years of the term of the loan are about to expire, the Director-General will, within two years preceding the expiry of the said term, negotiate by writing with the Corporation for an extension of the term of the loan; and if six months shall have expired after such negotiations in writing and no definite arrangements shall have been come to, the Chinese Government shall be at liberty to take steps to devise means for procuring elsewhere funds to pay off the loan. and to redeem the bonds and cancel the mortgage.

ARTICLE 23.—The existing Shanghai-Woosung Line (as soon as the price agreed upon is ready to be handed over to the Railway Administration) shall be taken over as part of the Shanghai-Nanking system, and the earnings and administration of this section shall be treated in like manner as the Shanghai-Nanking line. The price of the Shanghai-Woosung Line shall be taken at taels 1,000,000 and this amount shall be paid to the Chinese Railway Administration out of the proceeds of the loan.

ARTICLE 24.—Immediately after the signature of the Agreement, and before the issue of any prospectus of the loan to the public, the Director-General shall memorialize the Throne and obtain an Imperial Edict confirming and sanctioning the provisions of this Agreement. The Imperial Edict so received shall then be officially communicated without delay to the British Minister in Peking by the Wai-Wu-Pu.

ARTICLE 25.—This Agreement is executed in quintuplicate in English and Chinese, one copy to be retained by the Railway Administration, one by the Wai-Wu-Pu, one by the Bureau of Railways and Mines at Peking, one by the British Minister in Peking, and one by the Corporation, and should any doubt arise as to the interpretation of the Agreement the English text shall be accepted as the standard.

Signed at Shanghai by the Contracting Parties this fifteenth day of the

intercalary fifth month of the twenty-ninth year of the Emperor Kwang-Hsü, being the ninth day of July nineteen hundred and three of the Western Calendar.

JARDINE, MATHESON & CO.,
(Signed) David Landale.
For the HONGKONG & SHANGHAI BANK,
(Signed) H. M. Bevis, *Manager.*
The British & Chinese Corporation, Ltd.
Witness to the Signatures of David Landale and H. M. Bevis
Byron Brenan.

Note 1.

The text of the Preliminary Agreement of May, 1898, is thus given in *Rockhill*, p. 281:

Preliminary Agreement for Shanghai-Nanking Railway.—May 13, 1898.

"This preliminary agreement is made between Sheng Tajen Director General of the Chinese Imperial Railway Administration acting under authority of the Imperial Chinese Government of the one part and the British Firm of Jardine, Matheson & Company for themselves and on behalf of the Hongkong and Shanghai Banking Corporation representing as joint Agents a British Syndicate hereinafter called The Syndicate.

"It is agreed as follows:

"1.—The said Director General of the Chinese Railway Administration authorises the Syndicate to issue a sterling loan for an amount not exceeding three million sterling in such manner and on such terms as the Syndicate may decide, but on terms and conditions as between the Syndicate and the said Director General of the Chinese Railway Administration as are hereinafter detailed.

"The loan shall be issued as soon as possible after the signing of a final agreement and is designed to raise the capital for building [? the railway.—*Editor.*] which the said Sheng Tajen is authorised by Chinese Imperial Edict to construct from Shanghai to Nanking.

"2.—The building capital thus provided for is to include interest on itself during the period of construction and the said Chinese Railway Administration undertakes to buy and pay for the land required for the sections now referred to i. e. Shanghai to Nanking in accordance with plans and surveys to be approved by the Agents of the aforesaid Syndicate and the said Director General.

"3.—The rate of interest for the loan shall be 4½% (four and one-half per cent) on the nominal principal issued by the Syndicate and shall be paid by the Syndicate out of the monies so raised for three years from date of issue or up to such nearer date as that on which the lines referred to are completed. After the said three years the said interest shall be provided by the said Railway Administration in Shanghai in accordance with the amounts and dates of a schedule to be drawn up.

"4.—The terms of loan shall be fifty years and commencing two years after completion of the lines referred to or in any case five years after payment of loan in whole or in part repayment of principal shall be made by a sinking fund which shall be paid by the said Chinese Railway Administration in half yearly instalments in accordance with the amounts and dates of the said schedule and the amortization shall not be increased nor reduced nor shall the loan be converted or redeemed by the Chinese Railway Administration or in any other manner without the assent of the said Syndicate provided always that on twelve months notice being given by the said Railway Administration they have the right to redeem the whole loan still outstanding at par at the end of twenty five years from date of the Final Agreement or at 102½ after 12½ years.

"5.—The total half yearly payment due for amortization and interest shall be paid as aforesaid to the Agents of the said Syndicate in Shanghai fourteen days before the due dates mentioned in the aforesaid schedule in Shanghai Sycee sufficient to meet such payments in sterling in London the rate of exchange for which shall be settled with the Hongkong and Shanghai Bank on the said date of payment.

"6.—To provide for the possibility of the revenue of the aforesaid railway at any time being insufficient to cover the sums so due for interest and amortization a clause is to be mutually agreed to as to satisfactory security before signature of the Final Agreement.

"7.—The Syndicate shall issue and is hereby authorised to issue to subscribers to the loan now contracted Bonds for the total amount of the loan in pounds sterling in such and for such respective amounts as may appear advisable to the Syndicate which shall

arrange the wording in agreement with the Director General of the Chinese Imperial Railway Administration and these Bonds shall be sealed or signed by the Minister for China in London and the Director General of Chinese Railway Administration subject to Final Agreement.

"8.—This loan shall be secured by mortgage now entered into in equity and to be hereafter entered into specifically on the railway now being completed between Woosung and Shanghai and also on all lands material rolling stock buildings and property and premises of every description purchased and to be purchased by the said Railway Administration for the railways herein referred to and on the revenue of all descriptions derivable therefrom and the Chinese Imperial Railway Administration hereby order and guarantee that no further mortgage or loan shall be created or permitted on the said lines and other securities without the written sanction of the aforesaid Syndicate.

"9.—The Deed of Agreement shall be executed in quadruplicate and confirmed by Chinese Imperial Edict; one copy to be retained by the Railway Administration one by the Tsungli yamen one by the British Minister in Peking and one by the Syndicate and should any doubt arise as to the interpretation of this agreement the English text is to be accepted.

"10.—All Bonds and Coupons and payments made and received with the service of this loan shall be exempt from Chinese taxes and imposts of all or every description for ever and all material of every kind or description also to be imported into China or to be brought from the Provinces of China to the scene of work free from taxation of every nature whether Imperial Provincial or Municipal during the currency of this loan, and further it is agreed by the Imperial Chinese Government that no tax or impost of any kind shall be enacted or levied on the revenue of the said Railway Administration or on passenger tickets or freight notes thereby.

"All details necessary for the prospectus and connected with the service of the Bondholders anent interest or amortization of this loan not herein explicitly provided for shall be left for arrangement by the Syndicate who at its own expense shall issue and are hereby authorised to issue a prospectus of the loan as soon as possible after the signing of a Final Agreement. The Tsungli yamen will instruct the Minister for China in London to give the Syndicate all assistance in any matters where his cooperation may be deemed helpful.

"11.—In order to provide for final authority in matters of construction or administration it is agreed that before the Final Agreement is made a clause is to be drafted mutually acceptable to the Agents of the Syndicate and to the Director General of the Chinese Imperial Railway Administration providing for a 'Board of Control' to be composed of the Director General of the Chinese Imperial Railway Administration as Chairman and a nominee of his together with the representative of the Agents of the Syndicate and the chief Engineer and Secretary hereinafter mentioned.

"12.—The Railway Administration shall during the continuance of the loan maintain the railway buildings works rolling stocks and dependencies in good order and condition and shall increase the rolling stock to such extent as the Board of Control during the period of the aforesaid sterling loan may find necessary for the requirements of the traffic.

"13.—The residue of the net profits in each year after paying the sum annually due for interest and redemption of the loan and all other sums which may for whatsoever cause be due to the Syndicate shall be divided into five shares one to be paid to or retained by the said Syndicate and the others to be paid or retained by the Railway Administration but after completion of the lines now provided for and on their revenue proving sufficient to meet the interest and redemption of loan, there is to be deducted before division of profits interest at the rate of 6% per annum on the value of land purchased by the Chinese Railway Administration and entered in a Land Register Book and in consideration of this the earnings and administration of the Woosung and Shanghai line are to be treated in like manner as the Nanking section and thus go to the general profit and loss account and the Syndicate are to participate therein as in the Nanking section, subject however to a charge of 6% interest on about Taels 500,000 being cost of the Woosung line. The title deeds for land already or subsequently acquired and hypothecated to this Syndicate shall be delivered to the Agents after entry in the Land Register Book which is to be kept by the account; the book shall also contain exact entries of the sums paid for such land thus showing the aggregate sum so expended.

"14.—The accounts of the Railway Administration shall be kept in Shanghai currency.

"15.—The Chief Engineer taking charge of the construction and the working of the railway shall be nominated by the Agents for the Syndicate with the concurrence of the said Director General and shall be paid by the Railway Administration. In like manner a European Secretary and Accountant shall also be appointed and paid; and the Chief Engineer will subject to the assent of the Board of the Control nominate the entire staff of Railway Officials.

"16.—The Syndicate will on completion of a survey report map and estimate (to be approved by the said Director General) now to be commenced by Engineers nominated

by them name a definite price at which they engage to take the said loan; it will be based on a current quotation of 82 dated 24th April but it is necessarily subject to the state of London money market at date of final agreement; due advantage also being given to the Railway Administration in case of improvement. In the event of the price named not being acceptable to the Railway Administration the cost of the survey will be borne by the Syndicate but otherwise will form part of the rail construction charges.

"17.—The books of the Administration shall be kept both in English and Chinese and all monies provided by the Syndicate shall be dealt with through an account to be kept in Shanghai with the Hongkong & Shanghai Bank; this account will be disbursed for the construction of the lines and for expenses consequent thereon upon the Chief Engineer's certificate. The whole accounts of the Railway Administration shall be subject to the inspection of the Syndicate and it is further agreed that the revenue or earnings of the railway shall be paid into the said account with the Hongkong & Shanghai Bank for final treatment but at places where the Hongkong & Shanghai Bank has no Agency and the Imperial Bank of China is established disbursements and receipts will be dealt with through the latter in accordance with the final agreement.

"18.—The Agents for the Syndicate will during the currency of this loan be entitled to deduct a commission at the rate of ¼% on all remittances for interest or redemption of the aforesaid loan.

"19.—To provide for the possibility of the whole amount of the instalments of the loan with accrued interest paid by the Syndicate not being sufficient for the complete construction of the lines now undertaken by the Railway Administration, a clause giving satisfactory security is to be mutually agreed to before signature of the final agreement.

"20.—The provisions of a final agreement shall immediately after signature and before the issue of any prospectus of the loan be confirmed and sanctioned by an Imperial notification which shall be officially communicated to the British Minister by the Tsungli yamen.

"21.—It is further agreed between the parties to this agreement and accepted by the said Railway Administration that material from Hupeh Works when certified by the Chief Engineer to be equally suitable shall have preference, defects in samples rendered being pointed out by the Chief Engineer in order that suitable material may on the next occasion be produced; and with regard to material to be imported either for the construction of the line or in rolling stock that where specified by the Chief Engineer the name of maker so specified is to be accepted provided the Board of Control concur as to prices, that in cases where no maker is specified one half is at the option of the Syndicate and the other to be by tender; this clause is subject to redrafting for final agreement.

"22.—It is agreed that if at any time the Chinese Imperial Railway Administration wish to extend their lines that the Syndicate shall have the option of undertaking extensions on like terms for Railways designed to run in connection with those herein mentioned subject to Imperial Edict being obtained for such extensions or branches by Memorial of the said Railway Administration and the respective Viceroys and Governors.

"23.—Pending completion of the aforesaid survey and the subsequent naming of a definite price of loan the said Imperial Chinese Railway Administration undertake to commence or continue no negotiations with other parties for the purposes referred to in this agreement and the Syndicate by their Agents undertake to use promptitude and every exertion to carry out the terms of this preliminary arrangement.

"24.—The Syndicate being desirous to take up the extension of the said Railways (as mentioned in the above clause) and it being intended to run a line starting from Poo-Kow on the shore opposite to Nanking and ending near Sin Yang Chow where the extension would join the trunk line from Hankow to Peking the Imperial Chinese Railway Administration agrees to memorialize the Throne for permission to allow the Syndicate to carry out the extension. The Syndicate will at once send an Engineer to make the necessary survey and on the estimate being given will make the loan in accordance with the conditions as agreed upon in the above agreement.

"25.—This preliminary agreement is signed by the Director General of the Imperial Chinese Railway Administration who will in case there should arise local difficulties consult with the Viceroy of Nanking and the Governors will in conjunction with the Director General Memorialize the Throne before the Final Agreement is signed.

"Signed by the contracting parties this twenty third day of the intercalary third month of the twenty fourth year of the Emperor Kuang Hsu being the thirteenth day of May, 1898 of the Western Calendar."

Note 2.

See, in connection with the system of control provided by Article 6, the Working Agreement of April 13, 1908, and the arrangement in connection with the modification of the system of control, of the same date, thus given in *Wang*, pp. 263 and 271:

"Working Agreement.

"Whereas it has been agreed between the parties to the Loan Agreement that for more convenient carrying out of the duties imposed on the Board of Commissioners of supervising the matters referred to in article 6 of the said Agreement the Board of Communications shall from time to time nominate a Chinese official of suitable rank and qualifications as a Chinese member of the Board of Commissioners to be elected (after acceptance by the Corporation) as the Chairman of the last mentioned Board and under the same Board to supervise the construction and operation of the Railway with the title of Managing Director and Whereas it is expedient that the position of such Managing Director both in relation to the Board of Commissioners and to the Engineer-in-Chief and the Departmental Heads of the Railway Staff should be clearly defined so that questions may not arise in future.

"Resolved.

"1.—That Mr. Chung Mun Yew who has been duly nominated by the Board of Communications and accepted by the Corporation be elected Chairman of this Board with the title of Managing Director.

"2.—The Managing Director shall on behalf of the Board of Commissioners exercise the authority of the Board in the matter of general supervision of the working of the Railway and general control of all employees and otherwise discharge the duties and functions of the said Board in accordance with the terms of the Loan Agreement.

"3.—The Engineer-in-Chief shall be the General Manager of the Railway and shall be responsible to the Managing Director, as the representative of the Board's authority, for the details of the Railway Management including general control of the various Departments and the appointment of subordinate employees of the rank of foremen and under. With regard to the performance of his duties the General Manager shall in all respects regard the Managing Director as the Representative of the Board's authority and consult him in all matters pertaining to the appointment and dismissal of all employees excepting those below the rank of foreman and/or Assistant Station Master.

"With the written sanction first obtained of the Board the General Manager may delegate to any Head of a Department such powers as may be reasonably necessary for the effective control of his Department.

"4.—The following shall rank as Heads of Departments:—

The Traffic Manager (Mr. Pope)
The Secretary and Assistant General Manager
The Senior Engineer of the Engineering Department
The Chief Accountant
The Locomotive Superintendent
The Chief Storekeeper
The Medical Officer

"All Heads of Departments shall furnish monthly reports to the Managing Director and in particular the Chief Accountant shall furnish a monthly report and statement of accounts in which Capital and Revenue Accounts shall be clearly distinguished and in which all items of income and expenditure shall be properly allocated under various headings. Heads of Departments shall furnish to the Managing Director, through the General Manager, whenever required, such special information as he may call for in regard to the condition and working of the various offices or Departments, it being understood that the Accountant's Department reports direct to the Managing Director.

"5.—The Managing Director shall cause the monthly reports of the Heads of Departments to be circulated with as little delay as possible by the Secretary to all the members of the Board of Commissioners.

"6.—All indents for materials and goods of foreign origin whether purchased locally or from abroad shall be signed by the Managing Director and countersigned by the Chief Accountant. In case of special emergency where goods or materials are required to be purchased locally, such purchase shall immediately be reported for the information and approval of the Managing Director. The Managing Director shall cause a monthly statement of such indents to be circulated to all the members of the Board of Commissioners. It is understood that Commission is chargeable by the Corporation as Agents of the Railway on all purchases of materials of foreign origin except urgent local purchases involving an expenditure of not more than $2,500 for any one order, it being understood that such local purchases shall always be economically advantageous to the Railway and that for amounts exceeding $2,500 tenders shall always be called for through the Agency of the Corporation.

"7.—All cheques shall be signed by the Managing Director and countersigned by the Chief Accountant.

"8.—All transfers of Loan funds from London shall be made in accordance with existing procedures, that is to say, that the requisition for transfer shall be signed by the

Managing Director or in his absence by the other Chinese member of the Board of Commissioners, and by one foreign member.

"9.—The Managing Director shall whenever necessary consult the general Manager with regard to the affairs of the Railway and the Heads of Departments with regard to matters concerning their Departments; *and the General Manager shall keep the Managing Director fully posted regarding the working of the Railway, supplying him with duplicate copies, if required by him, of all reports sent in to him [the General Manager] from all the Stations, shops, or offices, excepting such reports as relate purely to the technical working of the several Departments.*

"10.—The General Manager shall at such time or times as may be mutually agreed submit to the Managing Director a budget showing proposed expenditure (for new work, alteration, repairs, etc.). Such budget shall ordinarily cover a period of 6 months or one year whichever period shall be found to be most convenient. The Managing Director shall as soon as possible after receipt of the Budget consider and approve the same with such alterations as he shall think proper. No item shall be added to or omitted from the Budget by the Managing Director except after full discussion with the General Manager. It will be the duty of the General Manager to see that the Budget as approved by the Managing Director is strictly adhered to and that no additional expenditure is made or liability incurred without the authority of the Managing Director.

"11.—The Board of Commissioners shall ordinarily meet once in each calendar year. Such meeting shall take place as soon as possible after the conclusion of each financial year and the Board shall then receive and consider the Report and accounts for such year. Any member may call a special meeting of the Board *Provided that the object of such meeting is notified to the members of the Board at least one week in advance and the consent of two members obtained for calling such meeting.* The Board may at any time call upon the Managing Director to report to them on the affairs of the Railway.

"12.—Accounts to be annually audited and report and accounts to be published in English and Chinese.

"13.—These provisions are to be construed with Article 6 of the Loan Agreement and are only effective so far as they are consistent therewith. Should they not prove satisfactory in securing the efficient control of the Railway, they shall be subject to revision and amendment hereafter.

"April 13th, 1908."

"Arrangement in connection with the modification of the system of control as agreed upon in consultation between the Deputy Director General (Mr. Chung Mun Yew) and Mr. J. O. Bland, Representative of the British and Chinese Corporation.

"In pursuance of the Resolutions adopted by the Board of Commissioners at their meeting held on April 13th, 1908, whereby the control and supervision of the working of the Railway becomes delegated by the Board to its Chairman, Mr. Chung Mun Yew, with the title of Managing Director, it has been agreed that Mr. A. W. U. Pope, as Engineer-in-Chief and General Manager shall be immediately responsible to the Managing Director (as representative of the Board's authority) for the details of the Railway's technical and General management; as the principal officer of the Railway Staff, he shall be responsible for the efficiency and general working of the Railway administration, and shall perform his duties under the direction of the Managing Director, in accordance with the arrangements hereby laid down and approved by the Board of Commissioners. For the purpose of effective management of the Railway, certain powers and discretions are delegated to the General Manager, and thereafter in turn to Heads of Departments, as hereunder specified, subject to modification or rescindment hereafter in case of need, by the Managing Director and/or the Board of Commissioners.

"The Heads of Departments of Railway Administration are as follows:—

The Secretary and Assistant General Manager.
The Engineer in Charge of Maintenance.
The Chief Accountant.
The Locomotive Superintendent.
The Traffic Superintendent.
The Medical Officer.
The Chief Storekeeper.

"The Heads of Departments shall prepare monthly Reports on the Working of their respective offices. These Reports, with the exception of the Chief Accountant's shall be forwarded to the General Manager for transmission to the Managing Director, who will cause copies to be forwarded without delay by the Secretary to the members of the Board of Commissioners.

"In addition to these regular monthly Reports, Heads of Departments shall furnish special reports or information on the working of their offices whenever called for by the Managing Director.

"The Chief Accountant's monthly Report shall contain a clear and complete statement of the Railway's accounts, in which Capital and Revenue accounts shall be clearly distinguished and in which all items of income and expenditure shall be properly allocated under their various headings; this report shall be transmitted through the Secretary for the information of the Managing Director, the Board of Commissioners, and the General Manager.

"As a matter of general practice the instructions of the Managing Director (as representative of the Board of Commissioners) will be transmitted to the Heads of Departments (excepting the Chief Accountant) through the General Manager, who will forward all important orders to be recorded and circulated by the Secretary in a general Order book.

"The General Rules of the Railway Administration in regard to leave of absence, medical assistance, free passes etc., will be determined by the Managing Director and General Manager in consultation, and subject to modification in case of need. Whenever employees of the Railway have any complaint or other official communication to make, they shall submit the same in writing to the Head of the Department concerned, by whom it shall be forwarded, with all necessary information to the General Manager, for reference to the Managing Director and (in case of need) to the Board of Commissioners.

"No Head of Department shall incur any expenditure on Railway account except such as is warranted by a standing authority, it will be the duty of the General Manager to see that all details of work sanctioned in the Annual Estimates are carried out by the various executive Department in a proper and efficient manner, and that the Estimates are not exceeded, under their general headings, without the authority of the Managing Director.

"Heads of Departments are authorised to appoint, promote, dismiss and reduce subordinates of the staff of their respective offices whose salaries do not exceed $50 per mensem, subject always to the financial exigencies of the Estimates, and the standing Rules of the Railway, as from time to time authorised. All appointments, promotions, dismissals, and reductions of employees drawing over $25 per mensem must be recorded in the Department's monthly Report. In the case of important Stations, the appointment, promotion, reduction or transfer of Station Master are to be made after consultation with the Managing Director and in accordance with the latter portion of Article 9 of the Board's Resolutions of April 13th, 1908.

"Heads of Departments are authorised to grant short leave of absence to all subordinate employees in their respective Departments subject to the leave regulations of the Railway, recording in the monthly Report all leave granted to employees drawing over $25 per mensem.

"Heads of Departments are authorised to issue cheque passes to all employees of their respective Departments and to their families in accordance with the Free Pass Regulations actually in force.

"Heads of Departments may draw stores required for the use of their offices etc., up to limits sanctioned in working Estimates, but no stores may be ordered or purchased by any Department unless specially authorised.

"The special duties of Heads of Departments as at present approved and subject to modification hereafter by the Managing Director and/or Board of Commissioners are as follows:—

"1. *Duties of Secretary and Assistant General Manager.*

"He shall conduct the general correspondence of the Railway Head Office, keep minutes and records of the official meeting of the Railway Administration: transmit the Chief Accountant's monthly Report and other Statements to the Managing Director and Board of Commissioners and General Manager.

"He shall keep in constant communication with the General Manager and shall assist him in promoting the mutual dependence inter-communication and harmonious working of the various Departments of the Railway. He shall act for the General Manager in his absence.

"*Duties of Engineer in Charge of Maintenance.*

"In matters of general administration and policy, the Engineer in Charge of Maintenance will receive the instructions of the Managing Director through the General Manager. He shall report through the General Manager in writing whenever necessary, on all matters affecting the proper maintenance of the Railway and shall be responsible for the same and for the discipline and effective organisation of the work of his Department. He shall certify annually in the Railway's Published Statement of Accounts as to the upkeep and condition of the line.

"*Duties of Chief Accountant.*

"The Chief Accountant's duties involving dual responsibility to the Chinese Government and to the holders of the Railway's bonds and profit certificates, it shall be open to him, while showing all due deference to the wishes of the Managing Director and giving effect to the latter's financial policy as laid down in the Annual Estimates, to report officially to

the Managing Director and to the Board of Commissioners in all cases where he considers that the action taken or policy contemplated may prejudice the rights and the interests of the holders of bonds and profit certificates.

"He shall countersign all cheques for expenditure on Railway account, as well as all indents for materials of foreign origin, whether purchased locally or from abroad, and shall be responsible for the monthly statement of such indents, to be circulated by the Secretary to the Board of Commissioners.

"He shall prepare for audit and publication the Annual Report of the Railway's receipts and expenditure, and be responsible for the accuracy of the same.

"The Duties of Medical Officer, Traffic Superintendent and Chief Storekeeper

"Will be decided upon in due course by the Managing Director in consultation with the General Manager, and submitted for the information of the Board of Commissioners."

Note 3.

In connection with the purchase of lands under the provisions of this Article, see the following letter of agreement, addressed by the British and Chinese Corporation to the Minister of Communications, and accepted by the latter, October 30, 1913, as printed in *Wang*, p. 279:

Letter of Agreement regarding Purchase of Lands for Shanghai-Nanking Railway.—October 30, 1913.

"Peking, 30th October, 1913.

"The Honourable,
"Mr. Chou Tzu Chi,
"Minister of Communications,
"Peking.

"Sir,

"Whereas, by the Shanghai-Nanking Railway Loan Agreement of July 9th 1903 it was provided, in respect to the purchase of land, under Article 7, that the cost of the land required in accordance with the plans of the Engineer-in-Chief and approved by the Director-General, should not exceed £150,000;

"and whereas it was further provided that an additional issue of bonds should be made in order to repay the sums spent in the purchase of land and that such bonds should be similar to the bonds of the Shanghai-Nanking Railway and have the same guarantee and same mortgage security and same treatment;

"and whereas the land purchased within the Engineer-in-Chief's survey was paid for from construction account, and it is now desired to refund to construction account the sum thus expended by the issue of land bonds;

"I now have the honour to state the arrangements and conditions which have been agreed upon as follows:—

"1.—The Ministry of Communications (hereinafter called 'the Ministry') acting on behalf of the Chinese Government, authorises the British and Chinese Corporation Limited (hereinafter called 'the Corporation') to prepare Shanghai-Nanking Railway Land Bonds to a total nominal value of £150,000 in such form and for such amounts as the Corporation may decide in consultation with the Chinese Minister in London, by whom the bonds shall be signed and sealed in the usual manner as a proof that their sale is duly authorised by and binding upon the Chinese Government.

"2.—The Corporation undertakes to purchase the aforesaid Land Bonds at the price of £92 for each £100 bond.

"3.—The security for the land bonds shall in every respect be the same as for the Shanghai-Nanking Railway Loan Bonds, as provided in the Loan Agreement of July 9th 1903.

"4.—Interest on the land bonds shall be at the rate of six per cent (6%) per annum payable half yearly on the dates on which the service of the Shanghai-Nanking Railway Loan is met, and in the same manner.

"5.—The bonds shall be redeemable at par at any time on giving six months notice, as provided in the Shanghai-Nanking Railway Loan Agreement, and subject to this provision shall at the latest be redeemed at par by the Ministry in five equal annual instalments commencing at the end of the sixth annual period, namely December 1st 1919, the amount required to be provided 14 days before the due date in accordance with Article 15 of the said Loan Agreement.

"6.—In the event of any bond or bonds being lost stolen or destroyed the procedure as laid down in the final paragraph of Article 1 of the Shanghai-Nanking Railway Loan Agreement shall be followed.

"7.—The funds furnished by the Corporation against these bonds shall be placed to the

credit of 'the Shanghai-Nanking Railway Improvements Account' at the Hongkong and Shanghai Banking Corporation London and shall thereupon be available to be drawn upon as required by the administration of the railway for the purchase of additional rolling-stock and for defraying the cost of such other improvements to the railway as may be decided upon by the Administration, under the approval of the Ministry, in order to increase the earning capacity of the line. Interest at the rate of three per cent (3%) per annum will be allowed by the Hongkong and Shanghai Banking Corporation London on the credit balance of the said account.

"8.—The Ministry undertakes to make all necessary arrangements for authorizing the Chinese Minister in London to seal the bonds without delay, and will transmit a copy of this letter of agreement to the Ministry of Foreign Affairs for communication to the Minister for Great Britain in Peking.

"9.—This Letter of Agreement is in duplicate in English and Chinese and it is understood that in case of any doubt arising regarding the interpretation of its terms the English text shall rule.

"I have the honour to request that you will be good enough to signify your acceptance and confirmation of the arrangements and conditions herein contained by affixing your signature to the statement to this effect below, retaining one copy of the letter so executed for your files and returning the other to the undersigned.

"I have the honour to be,
"Sir,
"Your obedient servant,
"(Signed) S. F. MAYERS,
"For the British and Chinese Corporation Limited.

"I hereby accept and confirm on behalf of the Chinese Government the arrangements and conditions herein contained.

"(Signed) CHOU TZU CHI,
"*Minister of Communications.*"

NUMBER 1903/3.

GREAT BRITAIN AND ITALY.

Exchange of Notes respecting the Reciprocal Protection of Trademarks in China.—August 7, 1903.*

(1).—*M. Carignani to the Marquess of Lansdowne.*

(Translation.)

Italian Embassy, London, July 30, 1903.

MY LORD,

THE Government of His Majesty the King, my august Sovereign, being desirous of coming to an arrangement with the other Governments, with a view to secure the reciprocal protection of trade-marks in China, have now instructed me to bring the following to the knowledge of your Lordship:—

1. In virtue of the civil and penal jurisdiction which is intrusted to the Consuls and Consular Tribunals of His Majesty the King of Italy, and which they exercise in China, they are competent to take cognizance of all claims which may be presented to them respecting the counterfeiting of trade-marks by Italian subjects.

2. So any claim which English manufacturers may have to present to them

* Translation and text, as printed in *Hertslet*, p. 599.

in order to obtain protection for trade-marks, duly registered in the Kingdom of Italy, as against Italian subjects, shall henceforward be adjudicated, in the first instance, by the Consular Tribunal, and, in the last instance, by the Court of Appeal at Ancona.

3. The right of property in trade-marks is regulated in Italy by the Law of the 30th August, 1868.

I have the honour to request your Lordship to be good enough to take note of this declaration, and to inform me whether Italian subjects will be able to invoke the same legal protection in China, on the part of the English Consular authorities, in all that concerns their property in trade-marks duly registered in Great Britain.

I have, &c.,

CARIGNANI.

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(2).—*The Marquess of Lansdowne to M. Carignani.*

Foreign Office, August 7, 1903.

SIR,

I have the honour to acknowledge the receipt of your note of the 30th ultimo, informing me of the desire of the Italian Government to come to an arrangement with His Majesty's Government for the mutual protection of British and Italian trade-marks in China, and stating that any claim which English manufacturers may have to present to His Italian Majesty's Consuls and Consular Tribunals in China, in order to obtain protection for trade-marks, duly registered in the Kingdom of Italy, as against Italian subjects, will henceforward be adjudicated, in the first instance, by the Consular Tribunals, and, in the last instance, by the Court of Appeal at Ancona.

In reply to your inquiry whether Italian subjects will be able to invoke the same legal protection in China, on the part of the English Consular authorities, in all that concerns their property in trade-marks duly registered in Great Britain, I have the honour to state that under the Order in Council of the 2nd February, 1899,† it is open to an Italian whose trade-mark has been infringed by a British subject in China to take proceedings against the latter in the British Court, provided that the consent in writing of His Majesty's Minister or the Chargé d'Affaires be obtained to the prosecution. Such consent, however, may be withheld if His Majesty's Minister or Chargé d'Affaires is not satisfied that effectual provision exists for the punishment in the Italian Consular Court of Italian subjects infringing British trade-marks.

A copy of your note will be sent to His Majesty's Chargé d'Affaires at Peking, and Mr. Townley's attention will be called to the statements contained in it as to the competence in such matters of the Italian Consular Courts.

I have, &c.,

LANSDOWNE.

† For the relevant articles of the Order in Council of February 11, 1907, replacing the provisions of the Order in Council here cited, see note to the Anglo-American Arrangement concerning trade-marks in China (No. 1905/4), at page 505, *post*.

NUMBER 1903/4.

JAPAN AND CHINA.

Supplementary Treaty of commerce and navigation (with annexes).—October 8, 1903.*

His Majesty the Emperor of Japan and His Majesty the Emperor of China, in order to give full effect to the provisions of Article XI of the Final Protocol signed at Peking on the seventh day of the ninth month of the thirty-fourth year of Meiji, corresponding to the twenty-fifth day of the seventh moon of the twenty-seventh year of Kuang-hsü, have resolved to conclude a Supplementary Treaty of Commerce and Navigation, designed to facilitate and promote the commercial relations between Japan and China, and have for that purpose named as Their Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan, Hioki Eki, Jugoi, Fifth Class of the Imperial Order of the Rising Sun, First Secretary of Legation, and Odagiri Masnoske, Shorokui, Fifth Class of the Imperial Order of the Rising Sun, Consul-General;

And His Majesty the Emperor of China, Lü Hai-huan, President of the Board of Public Works, Sheng Hsuan-huai, Junior Guardian of the Heir Apparent, formerly Senior Vice-President of the Board of Public Works, and Wu T'ing-fang, Senior Vice-President of the Board of Commerce:

Who, after having communicated to each other their Full Powers found to be in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE I.†—**Japan agrees to surtax on tariff duties, production, consumption, and excise taxes, when accepted by all other Powers.**—Whereas China, with the object of reforming its fiscal system, proposes to levy a surtax in excess of the tariff rates on all goods passing through the Custom Houses, whether maritime or inland and frontier, in order to compensate in a measure for the loss incurred by the complete abolition of *likin,* Japan consents to pay the same surtax as is agreed upon between China and all the Treaty Powers. With regard to the production tax, consumption tax and excise, and the taxes on native opium and salt, leviable by China, Japan also consents to accept the same arrangements as are agreed upon between all the Treaty Powers and China. It is understood however that the commerce, rights and privileges of Japan shall not, on account of the above, be placed at any disadvantage as compared with the commerce, rights and privileges of other Powers.

ARTICLE II.‡—**Improvement of navigation on upper Yang-tze River.**—The

* Text as printed in *Rockhill,* p. 121. Printed also in *Customs,* Vol. II, p. 617; *Traités et Conventions,* p. 147; *Hertslet,* p. 383; *Recueil,* p. 683.

In connection with this treaty, see Japanese treaty of July 21, 1896 (No. 1896/4, *ante*), and protocol of October 19, 1896 (No. 1896/6, *ante*): see also British commercial treaty of September 5, 1902 (No. 1902/7, *ante*), and American commercial treaty of October 8, 1903 (No. 1903/5, *post*).

† See British Treaty of 1902, Art. VIII, and U. S. Treaty of 1903, Art. IV.

‡ See British Treaty of 1902, Art. V, par. 2.

Chinese Government agree to permit Japanese steamship-owners to erect, at their own expense, appliances for hauling through the rapids of that part of the Yang-tze-kiang between Ichang and Chungking. But as the interests of the population of the provinces of Szechuen, Hunan and Hupeh are involved, it is therefore necessary that the approval of the Imperial Maritime Customs be obtained before such appliances may be so erected.

These appliances, which shall be at the disposal of all vessels both steamers and junks, shall not obstruct the waterway nor interfere with the free passage of junks or of persons on the banks of the river. Such appliances shall be subject to special regulations to be drawn up by the Imperial Maritime Customs.

ARTICLE III.§—**Navigation of inland waters.**—The Chinese Government agree that any Japanese steamer capable of navigating the inland waterways, upon reporting at the Imperial Maritime Customs, may proceed for the purpose of trade from a treaty port to places inland, so reported, on complying with the Original and Supplementary Regulations for Steam Navigation Inland.

ARTICLE IV.‖—**Partnerships of Chinese and Japanese. Liabilities.**—In case Chinese subjects conjointly with Japanese subjects organize a partnership or company for a legitimate purpose, they shall equitably share the profits and losses with all the members according to the terms of the agreement or memorandum and articles of association and the regulations framed thereunder, and they shall be liable to the fulfilment of the obligations imposed by the said agreement or memorandum and articles of association and the regulations framed thereunder as accepted by them and as interpreted by Japanese Courts. Should they fail to fulfil the obligations so imposed and legal action be taken against them in consequence, Chinese Courts shall at once enforce fulfilment of such obligations.

It is understood that in case Japanese subjects conjointly with Chinese subjects organize a partnership or company, they shall also equitably share the profits and losses with all the members according to the terms of the agreement or memorandum and articles of association and the regulations framed thereunder. Should such Japanese subjects fail to fulfil any of the obligations imposed by the said agreement or memorandum and articles of association or by the regulations framed thereunder, Japanese Courts shall in like manner at once enforce fulfilment of such obligations by them.

ARTICLE V.¶—**Protection of trade-marks.**—The Chinese Government agree to make and faithfully enforce such regulations as are necessary for preventing Chinese subjects from infringing registered trade-marks held by Japanese subjects.

Protection of copyrights.—The Chinese Government likewise agree to make such regulations as are necessary for affording protection to registered copyrights held by Japanese subjects in the books, pamphlets, maps and charts written in the Chinese language and specially prepared for the use of Chinese people.

Registration of trade-marks and copyrights.—It is further agreed that the Chinese Government shall establish registration offices where foreign trade-marks and copyrights, upon application for the protection of the Chinese Government,

§ See British Treaty of 1902, Art. X, par. 1.
‖ See British Treaty of 1902, Art. IV.
¶ See British Treaty of 1902, Art. VII, and U. S. Treaty of 1903, Art. IX, and Art. XI.

shall be registered in accordance with the provisions of the regulations to be hereafter framed by the Chinese Government for the purpose of protecting trade-marks and copyrights.

It is understood that Chinese trade-marks and copyrights properly registered according to the provisions of the laws and regulations of Japan will receive similar protection against infringement in Japan.

This Article shall not be held to protect against due process of law any Japanese or Chinese subject who may be the author, proprietor or seller of any publication calculated to injure the well-being of China.

ARTICLE VI.*—**National coinage in China.**—China agrees to establish itself, as soon as possible, a system of uniform national coinage and provide for a uniform national currency which shall be freely used as legal tender in payment of all duties, taxes and other obligations by Japanese subjects as well as by Chinese subjects in the Chinese Empire. It is understood, however, that all Customs duties shall continue to be calculated and paid on the basis of the Haikwan tael.

ARTICLE VII.—**Uniform standard of weights and measures in China.**—As the weights and measures used by the mercantile and other classes for general and commercial purposes in the different provinces of China vary and do not accord with the standards fixed by the Imperial Government Boards, thus resulting in detriment to the trade of Chinese and foreigners, the Governors General and Governors of all the provinces, after careful inquiry into existing conditions, shall consult together and fix upon uniform standards which, after a Memorial to the Throne for sanction, shall be adopted and used in all transactions by officials and people throughout all the Empire. These standards shall be first used in the places opened to foreign trade and gradually extended to inland places. Any differences resulting from divergence between the new weights and measures and those now in vogue shall be equitably settled, whether by way of increase or decrease, according to the amount of such difference.

ARTICLE VIII.†—**Regulations for steam navigation inland amended.**—The Regulations for Steam Navigation Inland of the fifth moon of the twenty-fourth year of Kuang-hsü and the Supplementary Rules of the seventh moon of the same year having been found in some respects inconvenient in working, the Chinese Government hereby agree to amend them and to annex such new Rules to this Treaty.

These Rules shall remain in force until altered by mutual consent.

ARTICLE IX.—**Confirming all treaties not hereby modified. Most-favored-nation treatment.**—The provisions of all treaties and engagements now subsisting between Japan and China, in so far as they are not modified or repealed by this Act, are hereby confirmed; and it is hereby expressly stipulated in addition that the Japanese Government, Officers, Subjects, Commerce, Navigation, Shipping, Industries and Property of all kinds shall be allowed free and full participation in all privileges, immunities and advantages which have been or may hereafter be granted by His Majesty the Emperor of China or by the Chinese Government or by the Provincial or Local Administrations of China to the Government, Officers,

* See British Treaty of 1902, Art. II, and U. S. Treaty of 1903, Art. XIII.
† See British Treaty of 1902, Art. X, and U. S. Treaty of 1903, Art XII.

Subjects, Commerce, Navigation, Shipping, Industries or Property of any other nation.

The Japanese Government will do its utmost to secure to Chinese Officers and Subjects resident in Japan the most favourable treatment compatible with the laws and regulations of the Empire.

ARTICLE X.‡—**Peking to be opened to international residence and trade.**—The High Contracting Parties hereto agree that, in case of and after the complete withdrawal of the foreign troops stationed in the province of Chihli and of the Legation guards, a place of international residence and trade in Peking will be forthwith opened by China itself. The detailed regulations relating thereto shall be settled in due time after consultation.

Ch'ang-sha to be opened to foreign trade.—The Chinese Government agree to open to foreign trade, within six months from the exchange of the Ratifications of this Treaty, Ch'angsha-fu in the province of Hunan on the same footing as the ports already opened to foreign trade. Foreigners residing in this open port are to observe the Municipal and Police Regulations on the same footing as Chinese residents, and they are not to be entitled to establish a Municipality and Police of their own within the limits of this treaty port, except with the consent of the Chinese authorities.

Mukden and Tatungkow opened to foreign trade.—The Chinese Government agree that, upon the exchange of the Ratifications of this Treaty, Mukden and Tatungkow, both in the province of Shengking, will be opened by China itself as places of international residence and trade. The selection of suitable localities to be set apart for international use and occupation and the regulations for these places set apart for foreign residence and trade shall be agreed upon by the Governments of Japan and China after consultation together.

ARTICLE XI.§—**Reform of judicial system of China. Exterritoriality to terminate.**—The Government of China having expressed a strong desire to reform its judicial system and to bring it into accord with that of Japan and Western nations, Japan agrees to give every assistance to such reform, and will also be prepared to relinquish its extra-territorial rights when satisfied that the state of the Chinese laws, the arrangements for their administration and other considerations warrant it in so doing.

ARTICLE XII.—**English text authoritative.**—The present Treaty is signed in the Japanese, Chinese and English languages. In order, however, to prevent future discussions, the Plenipotentiaries of the High Contracting Parties have agreed that in case of any divergence in the interpretation between the Japanese and Chinese Texts of the Treaty, the difference shall be settled by reference to the English Text.

ARTICLE XIII.—The present Treaty shall be ratified by His Majesty the Emperor of Japan and His Majesty the Emperor of China, and the Ratifications thereof shall be exchanged at Peking as soon as possible and not later than six months from the present date.‖

‡ See British Treaty of 1902, Art. VIII, sec. 12, and U. S. Treaty of 1903, Art. XII, par. 3. On first paragraph, see Annex 6 of present treaty.

§ See British Treaty of 1902, Art. XII, and U. S. Treaty of 1903, Art. XV.

‖ Ratifications were exchanged on January 11, 1904.

In witness whereof the respective Plenipotentiaries have signed the same and have affixed thereto the seals of their arms.

Done at Shanghai this eighth day of the tenth month of the thirty-six year of Meiji, corresponding to the eighteenth day of the eighth moon of the twenty-ninth year of Kuang-hsü.

[L. S.] HIOKI EKI.

[L. S.] ODAGIRI MASNOSKE.

(Signature of His Excellency Lü Hai-huan.)

(Signature of His Excellency Sheng Hsuan-huai.)

(Signature of His Excellency Wu T'ing-fang.)

ANNEX 1

INLAND WATERS STEAM NAVIGATION.

ADDITIONAL RULES.

1.—Japanese steamship-owners are at liberty to lease warehouses and jetties on the banks of waterways from Chinese subjects for a term not exceeding twenty-five years, with option of renewal on terms to be mutually arranged. In cases where Japanese merchants are unable to secure warehouses and jetties from Chinese subjects on satisfactory terms, the local officials, after consultation with the Governor or Governor General or Minister of Commerce, shall arrange to provide these on renewable lease, as above mentioned, at current equitable rates.

2.—Jetties shall only be erected in such positions that they will not obstruct the inland waterway or interfere with navigation, and with the sanction of the nearest Commissioner of Customs; such sanction, however, shall not be arbitrarily withheld.

3.—Japanese merchants shall pay taxes and contributions on these warehouses and jetties on the same footing as Chinese proprietors of similar properties in the neighbourhood. Japanese merchants may only employ Chinese agents and staff to reside in warehouses so leased at places touched at by steamers engaged in inland traffic to carry on their business; but Japanese merchants may visit these places from time to time to look after their affairs. The existing rights of Chinese jurisdiction over Chinese subjects shall not by reason of this clause be diminished or interfered with in any way.

4.—Steam vessels navigating the inland waterways of China shall be responsible for loss caused to riparian proprietors by damage which they may do to the banks or works on them, and for the loss which may be caused by such damage.

In the event of China desiring to prohibit the use of some particular shallow waterway by launches, because there is reason to fear that the use of it by them would be likely to injure the banks and cause damage to the adjoining country, the Japanese authorities, when appealed to, shall, if satisfied of the validity of the objection, prohibit the use of that waterway by Japanese launches, provided that Chinese launches are also prohibited from using it.

Both Foreign and Chinese launches are prohibited from crossing dams and weirs at present in existence on inland waterways where they are likely to cause injury to such works, which would be detrimental to the water service of the local people.

5.—The main object of the Japanese Government in desiring to see the inland waterways of China opened to steam navigation being to afford facilities for the rapid transport of both foreign and native merchandise, they undertake to offer no impediment to the transfer to a Chinese company and the Chinese flag of any Japanese steamer which may now or hereafter be employed on the inland waters of China, should the owner be willing to make the transfer.

In the event of a Chinese company registered under Chinese law being formed to run steamers on the inland waters of China, the fact of Japanese subjects holding shares in such a company shall not entitle the steamers to fly the Japanese flag.

6.—Registered steamers and their tows are forbidden, just as junks have always been forbidden, to carry contraband goods. Infraction of this rule will entail the penalties prescribed in the treaties for such an offence, and cancellation of the Inland Waters Navigation Certificate carried by the vessels, which will be prohibited from thereafter plying on inland waters.

7.—As it is desirable that the people living inland should be disturbed as little as possible by the advent of steam vessels to which they are not accustomed, inland waters not hitherto frequented by steamers shall be opened as gradually as may be convenient to merchants and only as the owners of steamers may see prospect of remunerative trade.

In cases where it is intended to run steam vessels on waterways on which such vessels have not hitherto run, intimation shall be made to the Commissioner of Customs at the nearest open port, who shall report the matter to the Ministers of Commerce. The latter, in conjunction with the Governor General or Governor of the province, after careful consideration of all the circumstances of the case, shall at once give their approval.

8.—A registered steamer may ply within the waters of a port, or from one open port or ports to another open port or ports, or from one open port or ports to places inland, and thence back to such port or ports. She may, on making due report to the Customs, land or ship passengers or cargo at any recognized places of trade passed in the course of the voyage; but may not ply between inland places exclusively except with the consent of the Chinese Government.

9.—Any cargo and passenger boats may be towed by steamers. The helmsman and crew of any boat towed shall be Chinese. All boats, irrespective of ownership, must be registered before they can proceed inland.

10.—The above Rules are supplementary to the Regulations published in the fifth and seventh moons of the twenty-fourth year of Kuang-hsü, which remain in full force and effect in so far as they are not modified by the Rules now agreed upon.

The present Rules and the Regulations of the fifth and seventh moons of the twenty-fourth year of Kuang-hsü may hereafter be modified, as circumstances require, by mutual consent.

Done at Shanghai this eighth day of the tenth month of the thirty-sixth year of Meiji, corresponding to the eighteenth day of the eighth moon of the twenty-ninth year of Kuang-hsü.

[L. S.] HIOKI EKI.
[L. S.] ODAGIRI MASNOSKE.
(Signature of His Excellency Lü Hai-huan.)
(Signature of His Excellency Sheng Hsuan-huai.)
(Signature of His Excellency Wu T'ing-fang.)

ANNEX 2.

IMPERIAL JAPANESE COMMISSIONERS FOR TREATY REVISION
to
IMPERIAL CHINESE COMMISSIONERS FOR TREATY REVISION.

SHANGHAI, *the 8th Day of the 10th Month of the 36th Year of Meiji.*

GENTLEMEN,

According to Article III of the present Treaty the Chinese Government agree that any Japanese steamer capable of navigating the Inland Waterways, upon reporting at the Imperial Maritime Customs, may proceed for the purpose of trade from a treaty port to places inland, so reported, on complying with the Original and Supplementary Regulations for Steam Navigation Inland.

It is understood that all classes of Japanese steamers, whatever their size, provided they are capable of navigating the Inland Waterways, may on complying with the Regulations receive an Inland Waters Certificate and carry on trade with inland places, and the Chinese Government will in no case raise difficulties and stop such steamers from plying to and from inland places.

We have the honour, in order to prevent future misunderstandings, to address this despatch to Your Excellencies and to request that instructions be sent to the Inspector General of Maritime Customs to act in accordance with this understanding. We have further the honour to request a reply from Your Excellencies.

We have the honour to be, gentlemen,
Your obedient Servants,
(Signed) HIOKI EKI.
(Signed) ODAGIRI MASNOSKE.

Their Excellencies
LÜ HAI-HUAN,
SHENG HSUAN-HUAI,
WU T'ING-FANG,
His Imperial Chinese Majesty's Commissioners for Treaty Revision.

ANNEX 3.

IMPERIAL CHINESE COMMISSIONERS FOR TREATY REVISION
to
IMPERIAL JAPANESE COMMISSIONERS FOR TREATY REVISION.

SHANGHAI, *the 18th day of the 8th Moon of the 29th Year of Kuang-hsü.*

GENTLEMEN,

We have the honour to acknowledge the receipt of Your Excellencies' despatch of this date, written with a view of preventing future misunderstandings, to the effect that, in accordance with the provisions of Article III of the present Treaty, all classes of Japanese steamers, whatever their size, provided they are capable of navigating the Inland Waterways, may on complying with the Regulations receive an Inland Waters Certificate and ply to and from inland places, and that the Chinese Government will in no case raise difficulties and stop them.

During the negotiations of this Article, we received a list from Your Excellencies of the Japanese steamers—viz.: Sanyo Maru, Setagawa Maru, Hiuga Maru, Urato Maru, Neisei Maru, Heian Maru, Taiko Maru, Yoshino Maru, Meiko Maru, Fukuju Maru, Hijikawa Maru, Nagata Maru, Kyodo Maru, Horai Maru, Kwanko Maru, Keiko Maru, Kinriu Maru, Zensho Maru and Kohei Maru, ranging from one hundred and twenty-one tons to four hundred and ten tons register—plying from Chefoo to inland places in Manchuria, under Inland Waters Certificate and in accordance with the Regulations for Steam Navigation Inland, which vessels have not been prevented from doing so on account of their class.

At that time we instructed the Deputy Inspector General of Customs to make inquiries into the records of the Custom Houses and he reported that the circumstances were in accordance with Your Excellencies' statement.

In consequence of the receipt of Your Excellencies' despatch we shall communicate with the Wai-wu Pu and request that instructions be sent to the Inspector General of Customs to take these circumstances into consideration and to act accordingly, and we have the honour to write this despatch for purposes of record.

We have the honour to be, Gentlemen,
Your obedient Servants,

(Signature of His Excellency Lü Hai-huan.)
(Signature of His Excellency Sheng Hsuan-huai.)
(Signature of His Excellency Wu T'ing-fang.)

Their Excellencies
HIOKI EKI,
ODAGIRI MASNOSKE,
His Imperial Japanese Majesty's
Commissioners for Treaty Revision.

ANNEX 4.

IMPERIAL JAPANESE COMMISSIONERS FOR TREATY REVISION
to
IMPERIAL CHINESE COMMISSIONERS FOR TREATY REVISION.

SHANGHAI, *the 8th day of the 10th Month of the 36th Year of Meiji.*

GENTLEMEN,

The provision contained in No. 9 of the Supplementary Rules governing steam navigation on Inland Waters published in the seventh moon of the twenty-fourth year of Kuang-hsü, regarding the appointment of an officer to collect dues and duties, not having in all cases been given effect to, we have the honour to request that Your Excellencies' Government will again issue instructions to all provinces to give strict effect to this provision, as it is a matter of importance.

We trust that Your Excellencies will comply with the request contained in this despatch and that you will favour us with a reply.

We have the honour to be, Gentlemen,

Your obedient Servants,

(Signed) HIOKI EKI.
(Signed) ODAGIRI MASNOSKE.

Their Excellencies
LÜ HAI-HUAN,
SHENG HSUAN-HUAI,
WU T'ING-FANG,
His Imperial Chinese Majesty's Commissioners for Treaty Revision.

ANNEX 5.

IMPERIAL CHINESE COMMISSIONERS FOR TREATY REVISION
to
IMPERIAL JAPANESE COMMISSIONERS FOR TREATY REVISION.

SHANGHAI, *the 18th Day of the 8th Moon of the 29th Year of Kuang-hsü.*

GENTLEMEN,

We have the honour to acknowledge the receipt of Your Excellencies' despatch of this date to the effect that, the provision contained in No. 9 of the Supplementary Rules governing steam navigation on Inland Waters published in the seventh moon of the twenty-fourth year of Kuang-hsü, regarding the appointment of an officer to collect dues and duties, not having in all cases been given effect to, you request that instructions be again issued to all provinces to give strict effect to this provision, as it is a matter of importance.

We have noted the above and have communicated with proper authorities in order that action may be taken, and have now the honour to write this reply for Your Excellencies' information.

We have the honour to be, Gentlemen,

Your obedient Servants,

(Signature of His Excellency Lü Hai-huan.)
(Signature of His Excellency Sheng Hsuan-huai.)
(Signature of His Excellency Wu T'ing-fang.)

Their Excellencies
HIOKI EKI,
ODAGIRI MASNOSKE,
His Imperial Japanese Majesty's
Commissioners for Treaty Revision.

ANNEX 6.

IMPERIAL CHINESE COMMISSIONERS FOR TREATY REVISION
to
IMPERIAL JAPANESE COMMISSIONERS FOR TREATY REVISION.

SHANGHAI, *the 18th Day of the 8th Moon*
of the 29th Year of Kuang-hsü.

GENTLEMEN,

According to the provision of Article X of this Treaty, regarding the establishment in Peking of a place of international residence and trade, it is agreed that in case of and after the complete withdrawal of the foreign troops, now guarding the Legations and Communications, a place in Peking outside the Inner City, convenient to both parties and free from objections, shall be selected and set apart as a place where merchants of all nationalities may reside and carry on trade. Within the limits of this place merchants of all nationalities shall be at liberty to lease land, build houses and warehouses, and establish places of business; but as to the leasing of houses and land belonging to Chinese private individuals, there must be willingness on the part of the owners and the terms thereof must be equitably arranged without any force or compulsion. All roads and bridges in this place will be under the jurisdiction and control of China. Foreigners residing in this place are to observe the Municipal and Police Regulations on the same footing as Chinese residents, and they are not to be entitled to establish a Municipality and Police of their own within its limits except with the consent of the Chinese authorities. When such place of international residence and trade shall have been opened and its limits properly defined, the foreigners who have been residing scattered both within and without the city walls, shall all be required to remove their residence thereto and they shall not be allowed to remain in separate places and thereby cause inconvenience in the necessary supervision by the Chinese authorities. The value of the land and buildings held by such foreigners shall be agreed upon equitably and due

compensation therefor shall be paid. The period for such removal shall be determined in due time, and those who do not remove before the expiry of this period shall not be entitled to compensation.

We have considered it to be to our mutual advantage to come to the present basis of understanding in order to avoid future unnecessary negotiations, and we beg that Your Excellencies will consider and agree to it and will favour us with a reply.

We have the honour to be, Gentlemen,
Your obedient Servants,

(Signature of His Excellency Lü Hai-huan.)
(Signature of His Excellency Sheng Hsuan-huai.)
(Signature of His Excellency Wu T'ing-fang.)

Their Excellencies
HIOKI EKI,
ODAGIRI MASNOSKE,
His Imperial Japanese Majesty's
Commissioners for Treaty Revision.

ANNEX 7.

IMPERIAL JAPANESE COMMISSIONERS FOR TREATY REVISION
to
IMPERIAL CHINESE COMMISSIONERS FOR TREATY REVISION

SHANGHAI, *the 8th Day of the 10th Month of the 36th Year of Meiji.*

GENTLEMEN,

We have the honour to acknowledge the receipt of Your Excellencies' despatch of this date in which you state that—

"According to the provision of Article X of this Treaty, regarding the establishment in Peking of a place of international residence and trade, it is agreed that in case of and after the complete withdrawal of the foreign troops, now guarding the Legations and Communications, a place in Peking outside the Inner City, convenient to both parties and free from objections, shall be selected and set apart as a place where merchants of all nationalities may reside and carry on trade. Within the limits of this place merchants of all nationalities shall be at liberty to lease land, build houses and warehouses, and establish places of business; but as to the leasing of houses and land belonging to Chinese private individuals, there must be willingness on the part of the owners and the terms thereof must be equitably arranged without any force or compulsion. All roads and bridges in this place will be under the jurisdiction and control of China. Foreigners residing in this place are to observe the Municipal and Police Regulations on the same footing as Chinese residents, and they are not to be entitled to establish a

Municipality and Police of their own within its limits except with the consent of the Chinese authorities. When such place of international residence and trade shall have been opened and its limits properly defined, the foreigners who have been residing scattered both within and without the city walls, shall all be required to remove their residence thereto and they shall not be allowed to remain in separate places and thereby cause inconvenience in the necessary supervision by the Chinese authorities. The value of the land and buildings held by such foreigners shall be agreed upon equitably and due compensation therefor shall be paid. The period for such removal shall be determined in due time, and those who do not remove before the expiry of this period shall not be entitled to compensation.

"We have considered it to be to our mutual advantage to come to the present basis of understanding in order to avoid future unnecessary negotiations, and we beg that Your Excellencies will consider and agree to it and will favour us with a reply."

In reply we beg to inform you that we agree generally to all the terms contained in the despatch under acknowledgement. As to the detailed regulations, these shall in due time be considered and satisfactorily settled in accordance with Article X of this Treaty; but it is understood that such regulations shall not differ in any respect to our prejudice from those which may be agreed upon between China and other Powers. We have the honour to send Your Excellencies this communication in reply and for your information.

We have the honour to be, Gentlemen,

Your obedient Servants,

(Signed) Hioki Eki.

(Signed) Odagiri Masnoske.

Their Excellencies

Lü Hai-huan,

Sheng Hsuan-huai,

Wu T'ing-fang,

His Imperial Chinese Majesty's

Commissioners for Treaty Revision.

NUMBER 1903/5.

UNITED STATES AND CHINA.

Treaty for the extension of the commercial relations between them.—October 8, 1903.*

The United States of America and His Majesty the Emperor of China, being animated by an earnest desire to extend further the commercial relations between them and otherwise to promote the interests of the peoples of the two countries, in view of the provisions of the first paragraph of Article XI of the final Protocol signed at Peking on the seventh day of September, A. D. 1901, whereby the Chinese Government agreed to negotiate the amendments deemed necessary by the foreign Governments to the treaties of commerce and navigation and other subjects concerning commercial relations, with the object of facilitating them, have for that purpose named as their Plenipotentiaries:—

The United States of America—

Edwin H. Conger, Envoy Extraordinary and Minister Plenipotentiary of the United States of America to China—

John Goodnow, Consul-General of the United States of America at Shanghai—

John F. Seaman, a Citizen of the United States of America resident at Shanghai—

And His Majesty the Emperor of China—

Lü Hai-huan, President of the Board of Public Works—

Sheng Hsüan-huai, Junior Guardian of the Heir Apparent. Formerly Senior Vice-President of the Board of Public Works—

who, having met and duly exchanged their full powers which were found to be in proper form, have agreed upon the following amendments to existing treaties of commerce and navigation formerly concluded between the two countries, and upon the subjects hereinafter expressed connected with commercial relations, with the object of facilitating them.

Article I.†—**Diplomatic representatives; rights and privileges.**—In accordance with international usage, and as the diplomatic representative of China has the right to reside in the capital of the United States, and to enjoy there the same prerogatives, privileges and immunities as are enjoyed by the similar representative of the most favored nation, the diplomatic representative of the United

* Text as printed in *U. S. Treaty Series* (No Number). Printed also in *Rockhill*, p. 135; *Customs*, Vol. I, p. 475; *Hertslet*, p. 566; *Malloy*, p. 261; *Recueil*, p. 657.

In connection with this treaty see also the British commercial treaty of September 5, 1902 (No. 1902/7, *ante*), and the Japanese treaty of October 8, 1903 (No. 1903/4, *ante*): see also the international agreement relating to the revised import tariff of 1902 (No. 1902/6, *ante*), and the revised import tariff and rules of December 19, 1918 (No. 1918/18, *post*).

† See U. S. Treaty with China of 1858, Art. IV and V, also Final Protocol of Sept. 7, 1901, Annex No. 19. (No. 1901/3, *ante*.)

States shall have the right to reside at the capital of His Majesty the Emperor of China. He shall be given audience of His Majesty the Emperor whenever necessary to present his letters of credence or any communication from the President of the United States. At all such times he shall be received in a place and in a manner befitting his high position, and on all such occasions the ceremonial observed toward him shall be that observed toward the representatives of nations on a footing of equality, with no loss of prestige on the part of either.

The diplomatic representatives of the United States shall enjoy all the prerogatives, privileges and immunities accorded by international usage to such representatives, and shall in all respects be entitled to the treatment extended to similar representatives of the most favored nation.

English text authoritative.—The English text of all notes or dispatches from United States officials to Chinese officials, and the Chinese text of all from Chinese officials to United States officials shall be authoritative.

ARTICLE II.‡—**Consular officers; rights and privileges.**—As China may appoint consular officers to reside in the United States and to enjoy there the same attributes, privileges and immunities as are enjoyed by consular officers of other nations, the United States may appoint, as its interests may require, consular officers to reside at the places in the Empire of China that are now or that may hereafter be opened to foreign residence and trade. They shall hold direct official intercourse and correspondence with the local officers of the Chinese Government within their consular districts, either personally or in writing as the case may require, on terms of equality and reciprocal respect. These officers shall be treated with due respect by all Chinese authorities, and they shall enjoy all the attributes, privileges and immunities, and exercise all the jurisdiction over their nationals which are or may hereafter be extended to similar officers of the nation the most favored in these respects.§ If the officers of either government are disrespectfully treated or aggrieved in any way by the authorities of the other, they shall have the right to make representation of the same to the superior officers of their own government who shall see that full inquiry and strict justice be had in the premises. And the said consular officers of either nation shall carefully avoid all acts of offense to the officers and people of the other nation.

On the arrival of a consul duly accredited at any place in China opened to foreign trade it shall be the duty of the Minister of the United States to inform the Board of Foreign Affairs, which shall, in accordance with international usage, forthwith cause the proper recognition of the said consul and grant him authority to act.

ARTICLE III.‖—**American citizens in China; their rights.**—Citizens of the United States may frequent, reside and carry on trade, industries and manufactures, or pursue any lawful avocation, in all the ports or localities of China which are now open or may hereafter be opened to foreign residence and trade; and, within the suitable localities at those places which have been or may be set apart for the use and occupation of foreigners, they may rent or purchase houses, places of business and other buildings, and rent or lease in perpetuity land and build there-

‡ See U. S. Treaty of 1858, Art. X.
§ See Note 1 to this document, *post*, p. 450.
‖ See U. S. Treaty of 1858, Art. XI.

on. They shall generally enjoy as to their persons and property all such rights, privileges and immunities as are or may hereafter be granted to the subjects or citizens of the nation the most favored in these respects.

ARTICLE IV.¶—**Likin and other transit dues to be totally abolished.**—The Chinese Government, recognizing that the existing system of levying dues on goods in transit, and especially the system of taxation known as *likin,* impedes the free circulation of commodities to the general injury of trade, hereby undertakes to abandon the levy of *likin* and all other transit dues throughout the Empire and to abolish the offices, stations and barriers maintained for their collection and not to establish other offices for levying dues on goods in transit. It is clearly understood that, after the offices, stations and barriers for taxing goods in transit have been abolished, no attempt shall be made to re-establish them in any form or under any pretext whatsoever.

Surtax on tariff rates granted in compensation.—The Government of the United States, in return, consents to allow a surtax, in excess of the tariff rates for the time being in force, to be imposed on foreign goods imported by citizens of the United States and on Chinese produce destined for export abroad or coastwise. It is clearly understood that in no case shall the surtax on foreign imports exceed one and one-half times the import duty leviable in terms of the final Protocol signed by China and the Powers on the seventh day of September, A.D. 1901; that the payment of the import duty and surtax shall secure for foreign imports, whether in the hands of Chinese or foreigners, in original packages or otherwise, complete immunity from all other taxation, examination or delay; that the total amount of taxation, inclusive of the tariff export duty, leviable on native produce for export abroad shall, under no circumstances, exceed seven and one-half per centum *ad valorem.*

China's right to levy taxes.—Nothing in this article is intended to interfere with the inherent right of China to levy such other taxes as are not in conflict with its provisions.*

Keeping these fundamental principles in view, the High Contracting Parties have agreed upon the following method of procedure.

Likin barriers to be abolished. Native customs offices to be retained in certain localities.—The Chinese Government undertakes that all offices, stations and barriers of whatsoever kind for collecting *likin,* duties, or such like dues on goods in transit, shall be permanently abolished on all roads, railways and waterways in the nineteen Provinces of China and the three Eastern Provinces. This provision does not apply to the native Customs offices at present in existence on the seaboard, at open ports where there are offices of the Imperial Maritime Customs, and on the land frontiers of China embracing the nineteen Provinces and the three Eastern Provinces.

Wherever there are offices of the Imperial Maritime Customs, or wherever such may be hereafter placed, native Customs offices may also be established, as well as at any point either on the seaboard or land frontiers.

Surtax on duties on foreign imports.—The Government of the United States

* See Note 2 to this document, *post,* p. 451.
¶ See British Treaty of 1902, Art. VIII; also Japanese Treaty of 1903, Art. I.

agrees that foreign goods on importation, in addition to the effective five per centum import duty as provided for in the Protocol of 1901, shall pay a special surtax of one and one-half times the amount of the said duty to compensate for the abolition of *likin,* of other transit dues besides *likin,* and of all other taxation on foreign goods, and in consideration of the other reforms provided for in this article.

Revision of foreign export tariff.—The Chinese Government may recast the foreign export tariff with specific duties, as far as practicable, on a scale not exceeding five per centum *ad valorem;* but existing export duties shall not be raised until at least six months' notice has been given. In cases where existing export duties are above five per centum, they shall be reduced to not more than that rate.

Surtax on exports; how levied.—An additional special surtax of one-half the export duty payable for the time being, in lieu of internal taxation of all kinds, may be levied at the place of original shipment or at the time of export on goods exported either to foreign countries or coastwise.

Certificate of origin.—Foreign goods which bear a similarity to native goods shall be furnished by the Customs officers, if required by the owner, with a protective certificate for each package, on the payment of import duty and surtax, to prevent the risk of any dispute in the interior.

Junk-borne goods.—Native goods brought by junks to open ports, if intended for local consumption, irrespective of the nationality of the owner of the goods, shall be reported at the native Customs offices only, to be dealt with according to the fiscal regulations of the Chinese Government.

Machine-made goods in China; treatment of.—Machine-made cotton yarn and cloth manufactured in China, whether by foreigners at the open ports or by Chinese anywhere in China, shall as regards taxation be on a footing of perfect equality. Such goods upon payment of the taxes thereon shall be granted a rebate of the import duty and of two-thirds of the import surtax paid on the cotton used in their manufacture, if it has been imported from abroad, and of all duties paid thereon if it be Chinese grown cotton. They shall also be free of export duty, coast-trade duty and export surtax. The same principle and procedure shall be applied to all other products of foreign type turned out by machinery in China.

Maritime Customs to oversee native customs affairs.—A member or members of the Imperial Maritime Customs foreign staff shall be selected by the Governors-General and Governors of each of the various provinces of the Empire for their respective provinces, and appointed in consultation with the Inspector General of Imperial Maritime Customs, for duty in connection with native Customs affairs to have a general supervision of their working.

Complaints; how investigated. Responsibility for enforcement of provisions of treaty.—Cases where illegal action is complained of by citizens of the United States shall be promptly investigated by an officer of the Chinese Government of sufficiently high rank, in conjunction with an officer of the United States Government, and an officer of the Imperial Maritime Customs, each of sufficient standing; and, in the event of it being found by the investigating officers that the complaint is well founded and loss has been incurred, due compensation shall be

paid through the Imperial Maritime Customs. The high provincial officials shall be held responsible that the officer guilty of the illegal action shall be severely punished and removed from his post. If the complaint is shown to be frivolous or malicious, the complainant shall be held responsible for the expenses of the investigation.

Edict to be published when article becomes operative.—When the ratifications of this Treaty shall have been exchanged by the High Contracting Parties hereto, and the provisions of this Article shall have been accepted by the Powers having treaties with China, then a date shall be agreed upon when the provisions of this Article shall take effect and an Imperial Edict shall be published in due form on yellow paper and circulated throughout the Empire of China setting forth the abolition of all *likin* taxation, duties on goods in transit, offices, stations and barriers for collecting the same, and of all descriptions of internal taxation on foreign goods, and the imposition of the surtax on the import of foreign goods and on the export of native goods, and the other fiscal changes and reforms provided for in this Article, all of which shall take effect from the said date. The Edict shall state that the provincial high officials are responsible that any official disregarding the letter or the spirit of its injunction shall be severely punished and removed from his post.

ARTICLE V.†—**Tariff on American imports. Most favored nation treatment.**—The tariff duties to be paid by citizens of the United States on goods imported into China shall be as set forth in the schedule annexed hereto and made part of this Treaty, subject only to such amendments and changes as are authorized by Article IV of the present convention or as may hereafter be agreed upon by the High Contracting Parties hereto. It is expressly agreed, however, that citizens of the United States shall at no time pay other or higher duties than those paid by the citizens or subjects of the most favored nation.

Conversely, Chinese subjects shall not pay higher duties on their imports into the United States than those paid by the citizens or subjects of the most favored nation.

ARTICLE VI.‡—**Bonded warehouses.**—The Government of China agrees to the establishment by citizens of the United States of warehouses approved by the proper Chinese authorities as bonded warehouses at the several open Ports of China, for storage, re-packing, or preparation for shipment of lawful goods, subject to such necessary regulations for the protection of the revenue of China, including a reasonable scale of fees according to commodities, distance from the custom house and hours of working, as shall be made from time to time by the proper officers of the Government of China.

ARTICLE VII.§—**Mining regulations to be revised and operations encouraged.**—The Chinese Government, recognizing that it is advantageous for the country to develop its mineral resources, and that it is desirable to attract foreign as well as Chinese capital to embark in mining enterprises, agrees, within one year from the signing of this Treaty, to initiate and conclude the revision of the existing mining regulations. To this end China will, with all expedition and

† See British Treaty of 1902, Art. XV; also Japanese Treaty of 1903, Art. I.
‡ See British Treaty of 1902, Art. VI.
§ See British Treaty of 1902, Art. IX.

earnestness, go into the whole question of mining rules; and, selecting from the rules of the United States and other countries regulations which seem applicable to the condition of China, will recast its present mining rules in such a way as, while promoting the interests of Chinese subjects and not injuring in any way the sovereign rights of China, will offer no impediment to the attraction of foreign capital nor place foreign capitalists at a greater disadvantage than they would be under generally accepted foreign regulations; and will permit citizens of the United States to carry on in Chinese territory mining operations and other necessary business relating thereto provided they comply with the new regulations and conditions which will be imposed by China on its subjects and foreigners alike, relating to the opening of mines, the renting of mineral land, and the payment of royalty, and provided they apply for permits, the provisions of which in regard to necessary business relating to such operations shall be observed. The residence of citizens of the United States in connection with such mining operations shall be subject to such regulations as shall be agreed upon by and between the United States and China.

Any mining concession granted after the publication of such new rules shall be subject to their provisions.

ARTICLE VIII.‖—**Drawback certificates.**—Drawback certificates for the return of duties shall be issued by the Imperial Maritime Customs to citizens of the United States within three weeks of the presentation to the Customs of the papers entitling the applicant to receive such drawback certificates, and they shall be receivable at their face value in payment of duties of all kinds (tonnage dues excepted) at the port of issue; or shall, in the case of drawbacks on foreign goods re-exported within three years from the date of importation, be redeemable by the Imperial Maritime Customs in full in ready money at the port of issue, at the option of the holders thereof. But if, in connection with any application for a drawback certificate, the Customs authorities discover an attempt to defraud the revenue, the applicant shall be dealt with and punished in accordance with the stipulations provided in the Treaty of Tientsin, Article XXI, in the case of detected frauds on the revenue. In case the goods have been removed from Chinese territory, then the consul shall inflict on the guilty party a suitable fine to be paid to the Chinese Government.

ARTICLE IX.¶—**Protection of trade-marks.**—Whereas the United States undertakes to protect the citizens of any country in the exclusive use within the United States of any lawful trade-marks, provided that such country agrees by treaty or convention to give like protection to citizens of the United States:—

Therefore the Government of China, in order to secure such protection in the United States for its subjects, now agrees to fully protect any citizen, firm or corporation of the United States in the exclusive use in the Empire of China of

‖ See British Treaty of 1902, Art. I.

¶ See British Treaty of 1902, Art. VII; also Japanese Treaty of 1903, Art. V. Agreements for the reciprocal protection of their trade-marks against infringement by each other's citizens or subjects have been concluded by the United States with other nations as follows: Great Britain, June 28, 1905 (No. 1905/4, *post*); France, October 3, 1905 (No. 1905/12, *post*); the Netherlands, October 23, 1905 (No. 1905/13, *post*); Belgium, November 27, 1905 (No. 1905/14, *post*); Germany, December 6, 1905 (No. 1905/15, *post*); Italy, December 18, 1905 (No. 1905/17, *post*); Russia, June 28, 1906 (No. 1906/4, *post*); Denmark, June 12, 1907 (No. 1907/8, *post*); Japan, May 19, 1908 (No. 1908/9, *post*).

any lawful trade-mark to the exclusive use of which in the United States they are entitled, or which they have adopted and used, or intend to adopt and use as soon as registered, for exclusive use within the Empire of China. To this end the Chinese Government agrees to issue by its proper authorities proclamations, having the force of law, forbidding all subjects of China from infringing on, imitating, colorably imitating, or knowingly passing off an imitation of trade-marks belonging to citizens of the United States, which shall have been registered by the proper authorities of the United States at such offices as the Chinese Government will establish for such purpose, on payment of a reasonable fee, after due investigation by the Chinese authorities, and in compliance with reasonable regulations.

ARTICLE X.—**Protection of patents.**—The United States Government allows subjects of China to patent their inventions in the United States and protects them in the use and ownership of such patents. The Government of China now agrees that it will establish a Patent Office. After this office has been established and special laws with regard to inventions have been adopted it will thereupon, after the payment of the prescribed fees, issue certificates of protection, valid for a fixed term of years, to citizens of the United States on all their patents issued by the United States, in respect of articles the sale of which is lawful in China, which do not infringe on previous inventions of Chinese subjects, in the same manner as patents are to be issued to subjects of China.

ARTICLE XI.*—**Protection of copyright.**—Whereas the Government of the United States undertakes to give the benefits of its copyright laws to the citizens of any foreign State which gives to the citizens of the United States the benefits of copyright on an equal basis with its own citizens:—

Therefore the Government of China, in order to secure such benefits in the United States for its subjects, now agrees to give full protection, in the same way and manner and subject to the same conditions upon which it agrees to protect trade-marks, to all citizens of the United States who are authors, designers or proprietors of any book, map, print or engraving especially prepared for the use and education of the Chinese people, or translation into Chinese of any book, in the exclusive right to print and sell such book, map, print, engraving or translation in the Empire of China during ten years from the date of registration. With the exception of the books, maps, etc., specified above, which may not be reprinted in the same form, no work shall be entitled to copyright privileges under this article. It is understood that Chinese subjects shall be at liberty to make, print and sell original translations into Chinese of any works written or of maps compiled by a citizen of the United States. This article shall not be held to protect against due process of law any citizen of the United States or Chinese subject who may be author, proprietor or seller of any publication calculated to injure the well-being of China.

ARTICLE XII.†—**Navigation of inland waters.**—The Chinese Government having in 1898 opened the navigable inland waters of the Empire to commerce by all steam vessels, native or foreign, that may be specially registered for the pur-

* See Japanese Treaty of 1903, Art. V.

† See British Treaty of 1902, Art. VIII, sec. 12, and Art. X, and Japanese Treaty of 1903, Art. VIII. Compare last paragraph with Japanese Treaty of 1903, Art. X, par. 3.

pose, for the conveyance of passengers and lawful merchandise,—citizens, firms and corporations of the United States may engage in such commerce on equal terms with those granted to subjects of any foreign power.

In case either party hereto considers it advantageous at any time that the rules and regulations then in existence for such commerce be altered or amended, the Chinese Government agrees to consider amicably and to adopt such modifications thereof as are found necessary for trade and for the benefit of China.

Mukden and Antung opened to foreign trade.—The Chinese Government agrees that, upon the exchange of the ratifications of this Treaty, Mukden and Antung, both in the province of Sheng-king, will be opened by China itself as places of international residence and trade. The selection of suitable localities to be set apart for international use and occupation and the regulations for these places set apart for foreign residence and trade shall be agreed upon by the Governments of the United States and China after consultation together.

ARTICLE XIII.‡—**Uniform national coinage.**—China agrees to take the necessary steps to provide for a uniform national coinage which shall be legal tender in payment of all duties, taxes and other obligations throughout the Empire by the citizens of the United States as well as Chinese subjects. It is understood, however, that all Customs duties shall continue to be calculated and paid on the basis of the Haikuan Tael.

ARTICLE XIV.§—**Christianity; its teachers and followers not to be discriminated against. Rights and duties of missionaries.**—The principles of the Christian religion, as professed by the Protestant and Roman Catholic Churches, are recognized as teaching men to do good and to do to others as they would have others do to them. Those who quietly profess and teach these doctrines shall not be harassed or persecuted on account of their faith. Any person, whether citizen of the United States or Chinese convert, who, according to these tenets, peaceably teaches and practices the principles of Christianity shall in no case be interfered with or molested therefor. No restrictions shall be placed on Chinese joining Christian churches. Converts and non-converts, being Chinese subjects, shall alike conform to the laws of China; and shall pay due respect to those in authority, living together in peace and amity; and the fact of being converts shall not protect them from the consequences of any offence they may have committed before or may commit after their admission into the church, or exempt them from paying legal taxes levied on Chinese subjects generally, except taxes levied and contributions for the support of religious customs and practices contrary to their faith. Missionaries shall not interfere with the exercise by the native authorities of their jurisdiction over Chinese subjects; nor shall the native authorities make any distinction between converts and non-converts, but shall administer the laws without partiality so that both classes can live together in peace.

Property; land purchased by missionary societies.—Missionary societies of the United States shall be permitted to rent and to lease in perpetuity, as the property of such societies, buildings or lands in all parts of the Empire for missionary purposes and, after the title deeds have been found in order and duly

‡ See British Treaty of 1902, Art. II, and Japanese Treaty of 1903, Art. XIII.

§ See U. S. Treaty of 1858, Art. XXIX, and British Treaty of 1902, Art. XIII. See Note 3 to this document, *post*, p. 452.

stamped by the local authorities, to erect such suitable buildings as may be required for carrying on their good work.

ARTICLE XV.‖—**Reform of judicial system. Extra-territoriality to terminate.**—The Government of China having expressed a strong desire to reform its judicial system and to bring it into accord with that of Western nations, the United States agrees to give every assistance to such reform and will also be prepared to relinquish extra-territorial rights when satsified that the state of the Chinese laws, the arrangements for their administration, and other considerations warrant it in so doing.

ARTICLE XVI.¶—**Prohibition of importation of morphia.**—The Government of the United States consents to the prohibition by the Government of China of the importation into China of morphia and of instruments for its injection, excepting morphia and instruments for its injection imported for medical purposes, on payment of tariff duty, and under regulations to be framed by China which shall effectually restrict the use of such import to the said purposes. This prohibition shall be uniformly applied to such importation from all countries. The Chinese Government undertakes to adopt at once measures to prevent the manufacture in China of morphia and of instruments for its injection.

ARTICLE XVII.—**Treaties to remain in force except as here modified.**—It is agreed between the High Contracting Parties hereto that all the provisions of the several treaties between the United States and China which were in force on the first day of January A.D. 1900, are continued in full force and effect except in so far as they are modified by the present Treaty or other treaties to which the United States is a party.

The present Treaty shall remain in force for a period of ten years beginning with the date of the exchange of ratifications and until a revision is effected as hereinafter provided.

Revision.—It is further agreed that either of the High Contracting Parties may demand that the tariff and the articles of this convention be revised at the end of ten years from the date of the exchange of the ratifications thereof. If no revision is demanded before the end of the first term of ten years, then these articles in their present form shall remain in full force for a further term of ten years reckoned from the end of the first term, and so on for successive periods of ten years.

English text authoritative.—The English and Chinese texts of the present Treaty and its three annexes have been carefully compared; but, in the event of there being any difference of meaning between them, the sense as expressed in the English text shall be held to be the correct one.

This Treaty and its three annexes shall be ratified by the two High Contracting Parties in conformity with their respective constitutions, and the ratifications shall be exchanged in Washington not later than twelve months from the present date.*

In testimony whereof, we, the undersigned, by virture of our respective

* Ratified by China, January 10, 1904, and by the United States, January 12, 1904; ratifications exchanged at Washington, January 13, 1904.

‖ See British Treaty of 1902, Art. XII, and Japanese Treaty of 1903, Art. XI.

¶ See British Treaty of 1902, Art. XI.

powers, have signed this Treaty in duplicate in the English and Chinese languages, and have affixed our respective seals.

Done at Shanghai, this eighth day of October in the year of our Lord one thousand nine hundred and three, and in the twenty ninth year of Kuang Hsü eighth month and eighteenth day.

EDWIN H. CONGER. [SEAL.]
JOHN GOODNOW. [SEAL.]
JOHN F. SEAMAN. [SEAL.]

Signatures and seal of Chinese Plenipotentiaries.
[LÜ HAI-HUAN.]
[SHENG HSÜAN-HUAI.]

ANNEX I.

As citizens of the United States are already forbidden by treaty to deal in or handle opium, no mention has been made in this Treaty of opium taxation.

As the trade in salt is a government monopoly in China, no mention has been made in this Treaty of salt taxation.

It is, however, understood, after full discussion and consideration, that the collection of inland dues on opium and salt and the means for the protection of the revenue therefrom and for preventing illicit traffic therein are left to be administered by the Chinese Government in such manner as shall in no wise interfere with the provisions of Article IV of this treaty regarding the unobstructed transit of other goods.

EDWIN H. CONGER. [SEAL.]
JOHN GOODNOW. [SEAL.]
JOHN F. SEAMAN. [SEAL.]

Signatures and seal of Chinese Plenipotentiaries.
[LÜ HAI-HUAN.]
[SHENG HSÜAN-HUAI.]

ANNEX II.

Article IV of the Treaty of Commerce between the United States and China of this date provides for the retention of the native Customs offices at the open ports. For the purpose of safeguarding the revenue of China at such places, it is understood that the Chinese Government shall be entitled to establish and maintain such branch native Customs offices at each open port, within a reasonable distance of the main native Customs offices at the port, as shall be deemed by the authorities of the Imperial Maritime Customs at that port necessary to collect the revenue from the trade into and out of such port. Such branches, as well as the main native Customs offices at each open port, shall

be administered by the Imperial Maritime Customs as provided by the Protocol of 1901.

EDWIN H. CONGER. [SEAL.]
JOHN GOODNOW. [SEAL.]
JOHN F. SEAMAN. [SEAL.]

Signatures and seal of Chinese Plenipotentiaries.
[LÜ HAI-HUAN.]
[SHENG HSÜAN-HUAI.]

ANNEX III.

The schedule of tariff duties on imported goods annexed to this Treaty under Article V is hereby mutually declared to be the schedule agreed upon between the representatives of China and the United States and signed by John Goodnow for the United States and Their Excellencies Lü Hai-huan and Sheng Hsüan-huai for China at Shanghai on the sixth day of September A. D. 1902,† according to the Protocol of the seventh day of September A. D. 1901.

EDWIN H. CONGER. [SEAL.]
JOHN GOODNOW. [SEAL.]
JOHN F. SEAMAN. [SEAL.]

Signatures and seal of Chinese Plenipotentiaries.
[LÜ HAI-HUAN.]
[SHENG HSÜAN-HUAI.]

IMPORT TARIFF

[The figures in the Import Tariff schedule express amounts in Haikwan Taels.]

Agar-agar	per picul..	0.300
Agaric. *See* Fungus.		
Amber	per catty..	.325
Aniseed (star):		
First quality (value 15 taels and over per picul)	per picul..	1.000
Second quality (value under 15 taels per picul)	do....	.440
Apricot seed	do....	.900
Arrowroot and arrowroot flour		5 per ct.
Asafetida	per picul..	1.000
Asbestos boiler composition	do....	.200
Asbestos fiber	do....	5.000
Asbestos millboard	do....	.500
Asbestos packing, including sheets and blocks	do....	3.500
Asbestos packing, metallic	do....	5.000
Asbestos yarn	do....	2.250
Awabi	do....	1.500
Bacon and ham		5 per ct.

† Consult the International Agreement relating to the Revised Import Tariff of 1902 (No. 1902/6, *ante*). Consult also the Revised Tariff approved by the International Tariff Commission, December 19, 1918 (No. 1918/18, *post*).

Bags:		
Grass	per thousand..	1.250
Gunny	do....	4.250
Gunny (old)		5 per ct.
Hemp	per thousand..	4.250
Hemp (old)		5 per ct.
Straw	per thousand..	1.250
Baking powder in bottles or tins:		
4-ounce	per dozen..	.083
6-ounce	do....	.110
8-ounce	do....	.145
12-ounce	do....	.226
1-pound	do....	.303
3-pound	do....	.810
5-pound	do....	1.350
Bark:		
Mangrove	per picul..	.073
Plum tree	do....	.120
Yellow (for dyeing)		5 per ct.
Yellow (medicinal)	per picul..	.800
Barley, pearl	do....	.300
Basins, iron (enameled):		
Up to 9 inches in diameter, decorated or not decorated	per dozen..	.050
Over 9 inches in diameter, agate, blue and white, gray or mottled, not decorated	per dozen..	.090
Over 9 inches in diameter, decorated (with gold)	do....	.175
Over 9 inches in diameter, decorated (without gold)	do....	.125
Basins, tin (common)	per gross..	.250
Beads:		
Coral	per catty..	.750
Cornelian	per picul..	7.000
Glass of all kinds		5 per ct.
Beer. *See* Wines, etc.		
Beeswax, yellow	per picul..	1.600
Belting		5 per ct.
Betel-nut husk:		
Dried	per picul..	.077
Fresh	do....	.018
Betel-nut leaves, dried	do....	.045
Betel nuts:		
Dried	do....	.225
Fresh	do....	.018
Bezoar cow, Indian		5 per ct.
Bicho de Mar:		
Black	per picul..	1.600
White	do....	.700
Bicycle materials		5 per ct.
Bicycles	each..	3.000
Birds' nests:		
First quality	per catty..	1.400
Second quality	do....	.450
Third Quality	do....	.150
Blue:		
Paris	per picul..	1.500
Prussian	do....	1.500
Bones, tiger	do....	2.500
Books:		
Chinese		Free.
Printed, and charts, maps, newspapers, and periodicals		Free.
Borax:		
Crude	per picul..	.610
Refined	do....	1.460
Braid, Llama	do....	5.000
Bricks, fire		5 per ct.
Bronze powder	per picul..	2.200
Butter in tins, jars, and other packages	do....	2.000
Buttons:		
Agate and porcelain	per 12 gross..	.010
Brass and other kinds (not jewelry)	per gross..	.020

Byrrh. (*See* Wines, etc.)		
Camphor	per picul..	1.650
Camphor baroos:		
Clean	per catty..	2.450
Refuse		5 per ct.
Candles:		
9-ounce	per case of 25 packages of 6 candles..	.075
12-ounce	do....	.100
16-ounce	do....	.133
All kinds, differently packed	per picul..	.750
other weights, duty in proportion.		
Canes:		
Bamboo	per thousand..	.400
Coir—		
1 foot long	per picul..	.200
5 feet long	per thousand..	.300
Canned fruits, vegetables, etc. (all weights and measures approximate):		
Table fruits (apples, apricots, grapes, peaches, pears, and plums), per dozen 2½-pound cans		.065
Pie fruits (apples, apricots, grapes, peaches, pears, and plums), per dozen 2½-pound cans		.057
Preserved fruits in glass bottles, jars, cardboard, or wooden boxes, including weight of immediate package	per picul..	.650
Asparagus	per dozen 2½-pound tins..	.118
Corn	per dozen 2-pound tins..	.054
Pease	do....	.060
String beans	do....	.054
Tomatoes	per dozen 2½-pound tins..	.054
All other vegetables preserved in tins, bottles, or jars, including weight of immediate package	per picul..	.525
Tomato sauce and catsup—		
½-pint bottles	per dozen..	.054
1-pint bottles	do....	.087
Jams and jellies—		
1-pound tins, bottles, or jars	per dozen..	.060
2-pound tins, bottles, or jars	do....	.118
Milk (including condensed)	per case of 4 dozen 1-pound tins..	.250
Cream, evaporated—		
4 dozen pints (family size)	per case..	.230
2 dozen quarts (hotel size)	do....	.260
Canned meats—		
Bacon or ham, sliced—		
Half-pound tins	per dozen..	.077
1-pound tins	do....	.144
Dried beef, sliced	per dozen 1-pound jars..	.144
Mince-meat—		
1½-pound pails	per dozen..	.100
3-pound pails	do....	.181
Kits (half barrels and barrels)	per picul..	.729
Pork and beans, plain or with tomato sauce—		
1-pound tins	per dozen..	.040
2-pound tins	do....	.075
3-pound tins	do....	.085
Potted and deviled meat—		
Quarter-pound tins	do....	.022
Half-pound tins	do....	.042
Potted and deviled poultry and poultry and meat combined—		
Quarter-pound tins	per dozen..	.042
Half-pound tins	do....	.072
Soup and bouilli—		
2-pound tins	do....	.101
6-pound tins	do....	.244
Tamales, chicken—		
Half-pound tins	do....	.051
1-pound tins	do....	.080
Tongues of every description—		
Half-pound tins	do....	.098
1-pound tins	do....	.204

1½-pound tins	per dozen..	.287
2-pound tins	do....	.333
2½-pound tins	do....	.445
3-pound tins	do....	.515
3¼-pound tins	do....	.545
All other canned meats, including game, of every description, with or without vegetables—		
Half-pound tins	per dozen..	.052
1-pound tins	do....	.063
2-pound tins	do....	.120
4-pound tins	do....	.210
6-pound tins	do....	.370
14-pound tins	do....	.810
Canvas and cotton duck, not exceeding 36 inches wide	per yard..	.010
Capoor cutchery		5 per ct.
Cardamoms:		
Superior, and amomums	per picul..	10.000
Inferior, or grains of paradise	do....	1.000
Husk	do....	.250
Cards, playing		5 per ct.
Cassia:		
Buds	per picul..	.750
Lignea	do....	.920
Twigs	do....	.170
Cement	per cask of 3 piculs..	.150
Cereals and flour (including barley, maize, millet, oats, paddy, rice, wheat, and flour made therefrom; also buckwheat and buckwheat flour, corn flour and yellow corn meal, rye flour, and hovis flour, but not including arrowroot and arrowroot flour, cracked wheat, germea, hominy, pearl barley, potato flour, quaker oats, rolled oats, sago and sago flour, shredded wheat, tapioca and tapioca flour, and yam flour)		Free.
Chairs, Vienna bent-wood	per dozen..	.800
Charcoal	per picul..	.030
Cheese		5 per ct.
Chestnuts	per picul..	.180
China root, whole, sliced, or in cubes	do....	.650
China ware, coarse and fine		5 per ct.
Chloride of lime	per picul..	.300
Chocolate, sweetened	per pound..	.012
Cigarettes:		
First quality (value exceeding 4.50 taels per thousand)	per thousand..	.500
Second quality (value not exceeding 4.50 taels per thousand)	do....	.090
Cigars	do....	.500
Cinnabar	per picul..	3.750
Cinnamon	do....	4.000
Clams, dried	do....	.550
Clocks of all kinds		5 per ct.
Cloves	per picul..	.630
Cloves, mother	do....	.360
Coal:		
Asiatic	per ton..	.250
Other kinds	do....	.600
Asiatic, briquettes	do....	.500
Cochineal		5 per ct.
Cockles:		
Dried	per picul..	.500
Fresh	do....	.050
Cocoa	do....	3.600
Coffee	do....	1.000
Coir canes:		
1 foot long	per picul..	.200
5 feet long	per thousand..	.300
Coke:		
Asiatic	per ton..	.500
Other kinds	do....	.900
Compoy	per picul..	2.000
Coral	per catty..	1.110
Coral beads	do....	.750

Coral, broken and refuse	per catty..	.550
Cordage of all kinds		5 per ct.
Cornelian beads	per picul..	7.000
Cornelian stones, rough	per hundred..	.300
Corundum sand	per picul..	.195
Cotton piece goods:		
Gray shirtings or sheetings, not exceeding 40 inches wide and not exceeding 40 yards long—		
(*a*) Weight 7 pounds and under	per piece..	.050
(*b*) Weight over 7 pounds and not over 9 pounds	do....	.080
(*c*) Weight over 9 pounds and not over 11 pounds	do....	.110
(*d*) Weight over 11 pounds	do....	.120
Imitation native cotton cloth (hand-made), gray or bleached—		
(*a*) Not exceeding 20 inches wide and not exceeding 20 yards long; weight 3 pounds and under	per piece..	.027
(*b*) Exceeding 20 inches wide		5 per ct.
White shirtings, white Irishes, white sheetings, white brocades, and white striped or spotted shirtings; not exceeding 37 inches wide and not exceeding 42 yards long	per piece..	.135
Drills, gray or white: not exceeding 31 inches wide and not exceeding 40 yards long—		
(*a*) Weight 12¾ pounds and under	per piece..	.100
(*b*) Weight over 12¾ pounds	do....	.125
Jeans, gray or white—		
(*a*) Not exceeding 31 inches wide and not exceeding 30 yards long	per piece..	.090
(*b*) Not exceeding 31 inches wide and not exceeding 40 yards long	per piece..	.120
T cloths, gray or white—		
(*a*) Not exceeding 34 inches wide and not exceeding 24 yards long	per piece..	.070
(*b*) Not exceeding 34 inches wide and exceeding 24 yards, but not exceeding 40 yards long	per piece..	.135
(*c*) Exceeding 34 inches but not exceeding 37 inches wide and not exceeding 24 yards long	per piece..	.080
Crimp cloth and crape, plain—		
(*a*) Not exceeding 30 inches wide and not exceeding 6 yards long	per piece..	.027
(*b*) Not exceeding 30 inches wide, exceeding 6 yards but not exceeding 10 yards long	per piece..	.035
(*c*) Not exceeding 30 inches wide but exceeding 10 yards long, per yard		.003½
White muslins, white lawns, and white cambrics: not exceeding 46 inches wide and not exceeding 12 yards long	per piece..	.032
Mosquito netting, white or colored: not exceeding 90 inches wide, per yard		.010
Lenos and balzarines, white, dyed, or printed: not exceeding 31 inches wide and not exceeding 30 yards long	per piece..	.090
Leno brocades and balzarine brocades, dyed		5 per ct.
Prints—		
(*a*) Printed cambrics, lawns, or muslins: not exceeding 46 inches wide and not exceeding 12 yards long	per piece..	.037
(*b*) Printed chintzes, printed crapes, printed drills, printed furnitures, printed shirtings printed T-cloths (including those goods known as blue and white printed T-cloths), printed twills: but not including goods mentioned in (*c*) and (*h*)—		
1. Not exceeding 20 inches wide		5 per ct.
2. Exceeding 20 inches but not exceeding 31 inches wide and not exceeding 30 yards long	per piece..	.080
(*c*) Printed crimp cloth—		
1. Not exceeding 30 inches wide and not exceeding 6 yards long	per piece..	.027
2. Not exceeding 30 inches wide, exceeding 6 yards but not exceeding 10 yards long	per piece..	.035
3. Not exceeding 30 inches wide but exceeding 10 yards long, per yard		.003½
(*d*) Printed lenos and balzarines: not exceeding 31 inches wide and not exceeding 30 yards long	per piece..	.090

(*e*) Printed sheetings: not exceeding 36 inches wide and not exceeding 43 yards long .....per piece.. .185
(*f*) Printed Turkey reds: of all kinds, not exceeding 31 inches wide and not exceeding 25 yards long .....per piece.. .100
(*g*) Printed sateens, printed satinets, printed reps, printed cotton lastings, including all cotton piece goods which are both dyed and printed, except those specified in (*f*) and (*h*), and including any special finish, such as mercerized finish, schreiner finish, gassed finish, silk finish, or electric finish; not exceeding 32 inches wide and not exceeding 32 yards long .....per piece.. .250
(*h*) Duplex prints or reversible cretonnes (not including those goods known as blue and white printed T-cloths) ..... 5 per ct.

Dyed cottons—
(*a*) Dyed plain cottons, *i. e.*, without woven or embossed figures (including plain Italians, lastings, reps, and ribs, and all other dyed plain cottons not otherwise enumerated, and including any special finish, such as mercerized finish, schreiner finish, gassed finish, silk finish, or electric finish); not exceeding 36 inches wide and not exceeding 33 yards long .....per piece.. .240
(*b*) Dyed figured cottons, *i.e.*, with woven or embossed figures (including figured Italians and lastings, figured reps, and figured ribs, and all other dyed figured cottons not otherwise enumerated, and including any special finish, such as mercerized finish, schreiner finish, gassed finish, silk finish, or electric finish): not exceeding 36 inches wide and not exceeding 33 yards long.....per piece.. .150
(*c*) Dyed crimp cloth—
1. Not exceeding 30 inches wide and not exceeding 6 yards long per piece ..... .027
2. Not exceeding 30 inches wide, exceeding 6 yards but not exceeding 10 yards long .....per piece.. .035
3. Not exceeding 30 inches wide but exceeding 10 yards long .....per yard.. .003½
(*d*) Dyed drills: not exceeding 31 inches wide and not exceeding 43 yards long .....per piece.. .170
(*e*) Dyed lenos and balzarines: not exceeding 31 inches wide and not exceeding 30 yards long .....per piece.. .090
(*f*) Dyed leno brocades ..... 5 per ct.
(*g*) Dyed muslins, lawns, and cambrics: not exceeding 46 inches wide and not exceeding 12 yards long .....per piece.. .037
(*h*) Dyed shirtings and sheetings: not exceeding 36 inches wide and not exceeding 43 yards long .....per piece.. .150
(*i*) Hongkong-dyed shirtings: not exceeding 36 inches wide and not exceeding 20 yards long .....per piece.. .100
(*j*) Dyed cotton cuts: not exceeding 36 inches wide and not exceeding 5¼ yards long .....per piece.. .022½
(N. B.—The pro rata rule does not apply.)
(*k*) Dyed T-cloths (including dyed alpacianos), dyed real and imitation Turkey reds of all kinds: not exceeding 32 inches wide and not exceeding 25 yards long—
1. Weight 3¼ pounds and under .....per piece.. .060
2. Weight over 3¼ pounds .....do.... .100

Flannelettes and cotton Spanish stripes—
(*a*) Cotton flannel, Canton flannel, swan's-down, flannelettes, and raised cotton cloths of all kinds, plain, dyed, and printed—
1. Not exceeding 36 inches wide and not exceeding 15 yards long .....per piece.. .065
2. Not exceeding 36 inches wide, exceeding 15 yards but not exceeding 30 yards long .....per piece.. .130
(*b*) Dyed cotton Spanish stripes—
1. Not exceeding 32 inches wide and not exceeding 20 yards long .....per piece.. .085
2. Exceeding 32 inches but not exceeding 64 inches wide and not exceeding 20 yards long .....per piece.. .170

Colored woven cottons, *i. e.*, dyed in the yarn, except crimp cloth ..... 5 per ct.
Crimp cloth—
(*a*) Not exceeding 30 inches wide and not exceeding 6 yards long .....per piece.. .027
(*b*) Not exceeding 30 inches wide and exceeding 6 yards but not exceeding 10 yards long .....per piece.. .035

(*c*) Not exceeding 30 inches wide but exceeding 10 yards long	per yard..	.003½
Velvets and velveteens, velvet cords, and fustians—		
(*a*) Velvets and velveteens, plain—		
1. Not exceeding 18 inches wide	per yard..	.006
2. Exceeding 18 inches but not exceeding 22 inches wide, per yard		.007
3. Exceeding 22 inches but not exceeding 26 inches wide, per yard		.008
(*b*) Velvets and velveteens, printed or embossed: not exceeding 30 inches wide	per yard..	.015
(*c*) Dyed velvet cords, dyed velveteen cords, dyed corduroys, dyed fustians of any description: not exceeding 30 inches wide per yard		.015
Blankets, cotton, plain, printed, or jacquard	per piece..	.030
Handkerchiefs, cotton—		
(*a*) Plain, dyed, or printed, not embroidered, hemstitched or initialed: not exceeding 1 yard square	per dozen..	.020
(*b*) All other handkerchiefs		5 per ct.
Singlets or drawers, cotton	per dozen..	.125
Socks, cotton (including lisle thread)—		
First quality (*i. e.*, valued at 1 tael or over per dozen pairs), per dozen pairs		.075
Second quality (*i. e.*, valued at less than 1 tael per dozen pairs), per dozen pairs		.032
Towels, cotton—		
(*a*) Honeycomb or huckaback, plain or printed (dimensions exclusive of fringe)—		
1. Not exceeding 18 inches wide and not exceeding 40 inches long	per dozen..	.020
2. Exceeding 18 inches wide and not exceeding 50 inches long	per dozen..	.030
(*b*) All other towels		5 per ct.
Cottons, unclassed		5 per ct.
Cotton, raw	per picul..	.600
Cotton thread:		
Ball thread, dyed or undyed	do....	3.000
On spools—		
50 yards	per gross..	.040
100 yards	do....	.080
200 yards	do....	.160
Cotton yarn:		
Gray or bleached	per picul..	.950
Dyed		5 per ct.
Gassed		5 per ct.
Mercerized		5 per ct.
Wooloa or berlinette	per picul..	3.500
Cow bezoar, Indian		5 per ct.
Crabs' flesh	per picul..	.600
Crocodile (including armadillo) scales	do....	2.725
Currants	do....	.500
Cutch	do....	.300
Cuttlefish	do....	.667
Dyes, colors, and paints:		
Aniline		5 per ct.
Blue—		
Paris	per picul..	1.500
Prussian	do....	1.500
Bronze powder	do....	2.200
Carthamin		5 per ct.
Chrome yellow		5 per ct.
Cinnabar	per picul..	3.750
Gamboge	do....	2.700
Green—		
Emerald	do....	1.000
Schweinfurt, or imitation	do....	1.000
Indigo—		
Dried, artificial or natural		5 per ct.

Liquid—		
Artificial	per picul..	2.025
Natural	do....	.215
Paste, artificial	do....	2.025
Lead—		
Red, dry or mixed with oil	do....	.450
White, dry or mixed with oil	do....	.450
Yellow, dry or mixed with oil	do....	.450
Logwood extract	do....	.600
Ocher	do....	.600
Smalt	do....	1.600
Ultramarine	do....	.500
Vermilion	do....	4.000
Imitation		5 per ct.
White zinc		5 per ct.
Paints, unclassed		5 per ct.
Elephants' teeth (other than tusks) and jaws, whole or part	per picul..	3.000
Elephants tusks, whole or parts	per catty..	.170
Emery cloth and sandpaper (sheets not exceeding 144 square inches), per ream		.250
Emery powder		5 per ct.
Enameled ironware:		
Mugs, cups, basins, and bowls, 9 inches or under in diameter, decorated or not decorated	per dozen..	.050
Basins and bowls, over 9 inches in diameter, agate, blue and white, gray, mottled, not decorated	per dozen..	.090
Basins and bowls, over 9 inches in diameter, decorated (with gold), per dozen		.175
Basins and bowls, over 9 inches in diameter, decorated (without gold), per dozen		.125
Enamel ware, unclassed		5 per ct.
Fans:		
Palm-leaf—		
Coarse	per thousand..	.280
Fine	do....	.450
Fancy	do....	1.000
Paper or cotton, of all kinds	do....	1.400
Silk		5 per ct.
Feathers:		
Kingfisher—		
Part skins (*i. e.*, wings, tails, or backs)	per hundred..	.250
Whole skins	do....	.600
Peacock		5 per ct.
Files. *See* Tools.		
Fire clay	per picul..	.050
Firewood	do....	.010
Fish:		
Cuttle	do....	.667
Dried or smoked, in bulk (including stockfish but not including cuttlefish)	per picul..	.315
Fresh	do....	.137
Maws	do....	4.250
Salt	per picul..	.160
Stock	do....	.315
Fishskins	do....	.600
Flints	do....	.040
Flour. *See* Cereals.		
Flour, arrowroot, potato, sago, tapioca, yam		5 per ct.
Fungus or agaric	per picul..	1.750
Fungus, white	per catty..	.250
Galangal	per picul..	.170
Gambier	do....	.300
Gambier, false or cunao (yam-root dyestuff)	do....	.150
Gamboge	do....	2.700
Gasoline or stove naphtha	per 10 gallon drum..	.150
Ginseng:		
Crude—		
First quality (value exceeding 2 taels per catty)	per catty..	.220
Second quality (value not exceeding 2 taels per catty)	do....	.072

Clarified or cleaned—		
First quality (value exceeding 11 taels per catty)	per catty..	1.100
Second quality (value exceeding 6 taels but not exceeding 11 taels per catty)	per catty..	.375
Third quality (value exceeding 2 taels but not exceeding 6 taels per catty)	per catty..	.220
Fourth quality (value not exceeding 2 taels per catty)	do....	.080
Glass:		
Plate—		
Silvered	per square foot..	.025
Unsilvered		5 per ct.
Window—		
Colored, stained, ground, or obscured	per box of 100 square feet..	.350
Common, not stained, colored, or otherwise obscured	do....	.170
Glass powder (*see* Match-making materials)	per picul..	.110
Glue	do....	.830
Gold thread, imitation. *See* Thread.		
Groundnuts	do....	.150
Gum arabic	do....	1.000
Gum benjamin	do....	.600
Gum benjamin, oil of		5 per ct.
Gum dragon's blood	per picul..	4.000
Gum myrrh	do....	.465
Gum olibanum	do....	.450
Gum resin	do....	.187
Gutta-percha. *See* India rubber.		
Hair, horse	do....	1.400
Hair, horsetails	do....	2.500
Hams		5 per ct.
Handkerchiefs. *See* Cotton piece goods.		
Hartall or orpiment	per picul..	.450
Hemp		5 per ct.
Hessians or burlaps, all weights	per 1,000 yards..	2.850
Hide poison or specific		5 per ct.
Hides, buffalo and cow	per picul..	.800
Hollow-ware: cast coated or tinned	do....	.500
Hoofs, animal	per picul..	.125
Hops		5 per ct.
Horns:		
Buffalo and cow	per picul..	.350
Deer		5 per ct.
Rhinoceros	per catty..	2.400
Hosiery. *See* Cotton piece goods (socks).		
India-rubber and gutta-percha articles (other than boots and shoes)		5 per ct.
India-rubber and gutta-percha, crude	per picul..	3.140
India-rubber boots	per pair..	.080
India-rubber shoes	do....	.020
India-rubber, old (fit only for remanufacture)	per picul..	.250
Indigo:		
Dried, artificial or natural		5 per ct.
Liquid—		
Artificial	per picul..	2.025
Natural	do....	.215
Paste, artificial	do....	2.025
Ink, printing		5 per ct.
Isinglass (fish glue)	per picul..	4.000
Isinglass, vegetable	do....	1.750
Jams and jellies in tins, bottles, or jars:		
1-pound	per dozen..	.060
2-pound	do....	.118
Joss sticks	per picul..	.640
Kerosene oil cans and cases, empty	per 2 cans in 1 case..	.005
Lace open work or insertion work of cotton, machine made:		
(*a*) Not exceeding 1 inch wide, outside measurement	per 12 dozen yards..	.050
(*b*) Exceeding 1 inch but not exceeding 2 inches wide, outside measurement	per 12 dozen yards..	.100
(*c*) Exceeding 2 inches but not exceeding 3 inches wide, outside measurement	per 12 dozen yards..	.166
(*d*) Exceeding 3 inches wide, outside measurement	per 12 dozen yards	.216

Lace open work or insertion work of any fibrous material except silk or cotton or imitation gold or silver thread:		
(*a*) Machine made	per catty..	.500
(*b*) Handmade (including cotton)	do....	2.400
Lacquer ware		5 per ct.
Lamps and their accessories		5 per ct.
Lamp wick	per picul..	2.000
Lard, pure or compound	do....	.600
Lead, red, white, yellow, dry or mixed with oil	do....	.450
Leather:		
Belting		5 per ct.
Calf	per picul..	7.000
Colored	do....	7.000
Cow	do....	2.500
Harness (not including enameled or pigskin)	do....	3.000
Kid	do....	7.000
Sole	do....	2.500
Patent	do....	7.000
All other kinds		5 per ct.
Lichees, dried	per picul..	.450
Lily flowers, dried	do....	.325
Lily seed (*i.e.*, lotus nuts without husks)	do....	1.000
Lime, chloride of	do....	.300
Linen		5 per ct.
Liqueurs. *See* Wines, etc.		
Licorice	per picul..	.500
Logwood extract	do....	.600
Lotus nuts (*i.e.*, lily seeds with husks)	do....	.400
Lucraban seed	do....	.350
Lung-ngan pulp	do....	.550
Lung-ngans, dried	do....	.450
Macaroni and vermicelli, and similar pastes	do....	.325
Mace		5 per ct.
Machines, sewing, hand or foot		5 per ct.
Madeira. *See* Wines, etc. (vins de liqueur).		
Marsala. *See* Wines, etc. (vins de liqueur).		
Malt	per picul..	.370
Mangrove bark	do....	.073
Manure, chemical		5 per ct.
Margarin, in tins, jars, or kegs	per picul..	1.400
Marsala. *See* Wines, etc. (vins de liqueur).		
Matches:		
Rainbow or brilliant	per 50 gross boxes..	1.500
Wax vestas: not exceeding 100 in a box	per 10 gross boxes..	1.600
Wood, safety or other—		
Large: boxes not exceeding 2½ by 1½ by ¾ inches, per 50 gross boxes..		.630
Small: boxes not exceeding 2 by 1⅜ by ⅝ inches, per 100 gross boxes..		.920
Boxes exceeding above sizes		5 per ct.
Match-making materials:		
Glass powder	per picul..	.110
Phosphorus	do....	4.125
Splints	do....	.088
Wax, parafin	do....	.500
Wood shavings	do....	.113
Mats:		
Coir (door)	per dozen..	1.000
Formosa, grass (bed)	each..	.050
Rush	per hundred..	.500
Straw	do....	.225
Tatami	each..	.045
Matting:		
Coir: not exceeding 36 inches wide	per roll of 100 yards..	2.750
Straw: not exceeding 36 inches wide	per roll of 40 yards..	.250
Meats, in bulk:		
Beef, corned, pickled, in barrels	per picul..	.375
Dry-salted meat, in boxes and barrels	do....	.475
Dry sausages	do....	.808
Ham and breakfast bacon, in boxes or barrels		5 per ct.

Lard, pure or compound	per picul..	.600
Melon seeds	do....	.250
Metals:		
Antifriction		5 per ct.
Antimony	per picul..	.700
Brass and yellow metal—		
Bars and rods	per picul..	1.150
Bolts and nuts and accessories	do....	1.150
Foil	do....	1.675
Nails	do....	1.150
Screws		5 per ct.
Sheets, plates, and ingots	per picul..	1.150
Tubes	do....	1.150
Wire	do....	1.150
Copper—		
Bars and rods	do....	1,300
Bolts, nuts, rivets, and washers		5 per ct.
Ingots	per picul..	1.175
Nails	do....	1.300
Sheets and plates	do....	1,300
Slabs	do....	1.175
Tacks		5 per ct.
Tubes		5 per ct.
Wire	per picul..	1.300
Dross—		
Iron	do....	.160
Iron and tin	do....	.300
Tin	do....	.500
German silver—		
Sheets	do....	2.200
Wire	do....	1.500
Iron and mild steel, new—		
Anchors, and parts thereof; mill iron; mill and ship's cranks; and forgings for vessels, steam engines, and locomotives (weighing each 25 pounds or over)	per picul..	.265
Angles	do....	.140
Anvils and parts of	do....	.400
Bar	do....	.140
Bolts and nuts		5 per ct.
Castings, rough	per picul..	.140
Chains, and parts of	do....	.265
Cobbles and wire shorts	do....	.130
Hoops	do....	.140
Kentledge	do....	.075
Nail rod	do....	.140
Nails—		
Wire	do....	.200
Other kinds		5 per ct.
Pig	per picul..	.075
Pipes and tubes		5 per ct.
Plate cuttings	per picul..	.110
Plates and sheets	do....	.140
Rails	do....	.125
Rivets	do....	.250
Screws		5 per ct.
Sheets and plates	per picul..	.140
Tacks, blue, of all sizes	do....	.400
Wire	do....	.250
Bolts and nuts		5 per ct.
Cobbles and wire shorts	per picul..	.130
Sheets—		
Corrugated	do....	.275
Plain	do....	.275
Tubes		5 per ct.
Wire	per picul..	.250
Wire, shorts	do....	.130
Iron, old, and scrap, of any description (fit only for remanufacture)	per picul..	.090

Lead—		
Pigs	per picul..	.285
Sheets	do....	.330
Lead pipes	do....	.375
Nickel, unmanufactured	do....	2.600
Quicksilver	do....	4.280
Spelter	do....	.375
Steel—		
Bamboo	do....	.250
Bars	do....	.250
Plates and sheets	do....	.250
Tool, and cast	do....	.750
Wire and wire rope	do....	.750
Steel, mild. *See* Iron.		
Tin—		
Compound		5 per ct.
Foil		5 per ct.
Sheets and pipes	per picul..	1.725
Slabs	do....	1.500
Tacks, blue, of all sizes	do....	.400
Tinned plates—		
Decorated	do....	.350
Plain	do....	.290
White metal—		
Sheets	do....	2.200
Wire	do....	1.500
Yellow metal. *See* Brass.		
Zinc—		
Boiler plates	do....	.600
Powder	do....	.400
Sheets, including perforated	do....	.520
Milk, condensed, in tins	per case of 4 dozen 1-pound tins..	.250
Mineral waters	per 12 bottles or 24 half bottles..	.050
Mirrors		5 per ct.
Morphia, in all forms	per ounce..	3.000
Molding	per thousand feet..	1.050
Mushrooms	per picul..	1.800
Musical boxes		5 per ct.
Musk	per catty..	9.000
Mussels, dried	per picul..	.400
Needles:		
No. 7-0	per 100 mille..	1.800
No. 3-0	do....	1.500
Assorted, not including 7-0	do....	.985
Nutgalls	per picul..	.870
Nutmegs	do....	1.500
Oakum	do....	.500
Oil:		
Castor—		
Lubricating	do....	.510
Medicinal	do....	1.000
Clove	per catty..	.150
Cocoanut	per picul..	.400
Colza	per American gallon..	.050
Engine—		
(*a*) Wholly or partly of mineral origin	do....	.015
(*b*) All other kinds (except castor)	do....	.025
Ginger	per picul..	6.750
Kerosene	per case of 10 American gallons..	.070
In bulk	per 10 American gallons..	.050
Olive	per imperial gallon..	.062
Sandalwood	per catty..	.240
Wood	per picul..	.500
Oil cans and cases (kerosene) empty	per 2 cans in 1 case..	.005
Olives, fresh, pickled, or salted	per picul..	.180
Opium	per picul { duty..	30.000
	{ likin..	80.000
Husk	per catty..	.062

Orange peel	per picul..	.800
Oysters, dried		5 per ct.
Packing, asbestos. *See* Asbestos.		
Packing, engine and boiler, all other kinds		5 per ct.
Paints. *See* Dyes, colors, and paints.		
Paper:		
Cigarette: not exceeding 2 by 4 inches	per 100,000 leaves..	.125
Printing—		
Calendered and (or) sized	per picul..	.700
Not calendered or unsized	do....	.300
Writing or foolscap	do....	1.200
All other kinds		5 per ct.
Peel, orange	per picul..	.800
Pepper:		
Black	do....	.760
White	do....	1.330
Perfumery		5 per ct.
Phosphorus	per picul..	4.125
Pitch	do....	.125
Plushes and velvets:		
(*a*) Plushes and velvets of pure silk	per catty..	.650
(*b*) Silk seal (with cotton back)	do....	.200
(*c*) Plushes and velvets of silk mixed with other fibrous materials (with cotton back)	per catty..	.150
(*d*) Plushes, all cotton (including mercerized)	do....	.110
(*e*) Velvets, cotton. *See* Cotton piece goods.		
Pork rind	per picul..	1.500
Prawns, dried (*see also* Shrimps)	do....	1.000
Preserved fruits, in glass bottles, jars, cardboard or wooden boxes, including weight of immediate package	per picul..	.650
Purses, leather (not including silver or gold mounted)	per gross..	.500
Putchuck	per picul..	.715
Raisins and currents	do....	.500
Rattan:		
Chairs		5 per ct.
Core	per picul..	.225
Skin	do....	.750
Rattans:		
Split	do....	.325
Whole	do....	.225
Resin	do....	.187
Ribbons, silk, silk and cotton, silk and other fibers, with or without imitation gold or silver thread	per catty..	.550
Rope		5 per ct.
Rose maloes	per picul..	1.000
Safflower	do....	.525
Sake:		
In barrels	do....	.400
In bottles	per 12 bottles or 24 half bottles..	.110
Saltpeter and nitrate of soda	per picul..	.325
Sand, red	do....	.045
Sandalwood	do....	.400
Sapan wood	do....	.112
Sea-horse teeth		5 per ct.
Seaweed:		
Cut	per picul..	.150
Long	do....	.100
Prepared	do....	1.000
Seed:		
Lily (*i. e.*, lotus nuts without husks)	do....	1.000
Lotus nuts (*i. e.*, lily seeds with husks)	do....	.400
Lucraban	do....	.350
Melon	do....	.250
Pine, or fir nuts	do....	.200
Sesamum	do....	.200
Sharks' fins:		
Black	do....	1.608

Clarified or prepared	per picul..	6.000
White	do....	4.600
Shellac	do....	2.500
Shells:		
Mother-of-pearl	do....	.700
Other kinds		5 per ct.
Sherry. *See* Wines, etc. (vins de liqueur).		
Shoes and boots, india-rubber, for Chinese:		
Boots	per pair..	.080
Shoes	do....	.020
Shrimps, dried (*see also* Prawns)	per picul..	.630
Silk piece goods, all silk (including crape):		
(*a*) Plain	per catty..	.325
(*b*) Brocaded or otherwise figured	do....	.700
Silk piece goods, mixtures (*i. e.*, silk and cotton, or silk and other materials) (including crape but not including mixtures with real or imitation gold or silver thread):		
(*a*) Plain	per catty..	.250
(*b*) Brocaded or otherwise figured	do....	.500
Silver thread, imitation. (*See* Thread.)		
Sinews:		
Buffalo and cow	per picul..	.550
Deer	do....	1.050
Singlets or drawers:		
Cotton	per dozen..	.125
Mixture		5 per ct.
Skins:		
Fish	per picul..	.600
Sharks		5 per ct.
Smalt	per picul..	1.600
Snuff		5 per ct.
Soap:		
Household and laundry (including blue mottled), in bulk, bars, and doublets weighing not less than one-half pound each	per picul..	.240
Toilet and fancy		5 per ct.
Socks, cotton (including lisle thread):		
First quality (*i. e.*, valued at 1 tael or over per dozen pairs), per dozen pairs		.075
Second quality (*i. e.*, valued at less than 1 tael per dozen pairs), per dozen pairs		.032
Soda:		
Ash	per picul..	.150
Bicarbonate	do....	.150
Caustic	do....	.225
Crystals	do....	.120
Crystals, concentrated	do....	.140
Soy	do....	.250
Spirits. (*See* Wines, etc.)		
Spirits of wine. (*See* Wines, etc.)		
Stick-lac	do....	.700
Stout. (*See* Wines, etc.)		
Sugar:		
Brown, up to No. 10 Dutch standard	do....	.190
Candy	do....	.300
White, No. 11 Dutch standard and over, including cube and refined per picul		.240
Sulphur and brimstone:		
Crude	do....	.150
Refined	do....	.250
Sulphuric acid	do....	.187
Sunshades. (*See* Umbrellas.)		
Telescopes, binoculars, and mirrors		5 per ct.
Thread:		
Cotton—		
Balls, dyed or undyed	per picul..	3.000
Spools (50 yards)	per gross..	.040
Gold and silver—		
Imitation (on silk)		5 per ct.
Real		5 per ct.

Gold, imitation (on cotton)	per catty..	.125
Silver, imitation (on cotton)	do....	.090
Tiles 6 inches square	per hundred..	.600
Timber:		
Beams—		
Hard wood	per cubic foot..	.020
Soft wood (including Oregon pine and California redwood: on a thickness of 1 inch)	per 1,000 superficial feet..	1.150
Teak wood	per cubic foot..	.081
Laths	per thousand..	.210
Masts and spars—		
Hard wood		5 per ct.
Soft wood		5 per ct.
Piles and piling (including Oregon pine and California redwood, on a thickness of 1 inch)	per 1,000 superficial feet..	1.150
Planks—		
Hard wood	per cubic foot..	.020
Teak wood	do....	.081
Planks and flooring—		
Soft wood (including Oregon pine and California redwood, and allowing 10 per cent of each shipment to be tongued and grooved: on a thickness of 1 inch)	per 1,000 superficial feet..	1.150
Soft wood (tongued and grooved, in excess of above, 10 per cent)		5 per ct.
Railway sleepers		5 per ct.
Teak-wood lumber, of all lengths and description	per cubic foot..	.081
Tinder	per picul..	.350
Tin foil		5 per ct.
Tobacco:		
Leaf	per picul..	.800
Prepared—		
In bulk	do....	.950
In tins or packages under 5 pounds each		5 per ct.
Tools:		
Axes and hatchets	per dozen..	.500
Files, file blanks, rasps, and floats, of all kinds—		
Not exceeding 4 inches long	do....	.040
Exceeding 4 inches and not exceeding 9 inches long	do....	.072
Exceeding 9 inches and not exceeding 14 inches long	do....	.168
Exceeding 14 inches long	do....	.224
Tortoise shell	per catty..	.450
Trimmings:		
Bead		5 per ct.
Cotton (pure or mixed with other materials but not silk)		5 per ct.
Cotton (mixed with silk and imitation gold or silver thread)		5 per ct.
Tumeric	per picul..	.185
Turpentine	per gallon..	.036
Twine		5 per ct.
Ultramarine	per picul..	.500
Umbrella frames	per dozen..	.080
Umbrellas, parasols, and sunshades:		
With handles wholly or partly of precious metals, ivory, mother-of-pearl, tortoise shell, agate, etc., or jeweled		5 per ct.
With all other handles—		
Cotton	each..	.020
Mixtures, not silk	do....	.030
Silk and silk mixtures	do....	.080
Varnish, crude lacquer, gum lacquer, or oil lacquer		5 per ct.
Vaseline		5 per ct.
Vegetables, dried and salted or pickled, in bulk		5 per ct.
Vermicelli	per picul..	.325
Vermilion	do....	4.000
Vermuth. *See* Wines, etc.		
Watches, of all kinds		5 per ct.
Waters, aërated and mineral	per 12 bottles or 24 half bottles..	.050
Wax:		
Bees, yellow	per picul..	1.600
Japan	do....	.650
Paraffin	do....	500

Sealing		5 per ct.
White		5 per ct.
Wines, etc:		
Champagnes and all other sparkling wines, in bottles, per case of 12 bottles or 24 half bottles		.650
Still wines, red or white, exclusively the produce of the natural fermentation of grapes—		
(*a*) Having less than 14° of alcohol—		
1. In bottles	per case of 12 bottles or 24 half bottles..	.300
2. In bulk	per imperial gallon..	.025
(*b*) Having 14° or more of alcohol; also vins de liqueur other than port—		
1. In bottles	per case of 12 bottles or 24 half bottles..	.500
2. In bulk	per imperial gallon..	.150
Port wine—		
In bottles	per case of 12 bottles or 24 half bottles..	.700
In bulk	per imperial gallon..	.175
Vermuth and byrrh	per case of 12 liters..	.250
Sake:		
In barrels	per picul..	.400
In bottles	per case of 12 bottles or 24 half bottles..	.110
Brandies and whiskies, in bulk	per imperial gallon..	.125
Brandy and cognac, in bottles	per case of 12 reputed quarts..	.500
Whisky, in bottles	do....	.350
Other spirits (gin, rum, etc.)—		
In bottles	do....	.200
In bulk	per imperial gallon..	.090
Spirits of wine, in packages of any description	do....	.028
Ales, beers, cider, and perry—		
In bottles	per case of 12 reputed quarts or 24 reputed pints..	.085
In casks	per imperial gallon..	.020
Porters and stouts—		
In bottles	per case of 12 reputed quarts or 24 reputed pints..	.100
In casks	per imperial gallon..	.025
Liqueurs		5 per ct.
Wood:		
Camagon	per picul..	.090
Ebony	do....	.200
Fragrant		5 per ct.
Garoo	per catty..	.100
Kranjee		5 per ct.
Laka	per picul..	.125
Lignum-vitæ		5 per ct.
Puru	per picul..	.075
Red	do....	.200
Rose	do....	.200
Sandal	do....	.400
Sapan	do....	.112
Scented		5 per ct.
Shavings, Hinoki	per picul..	1.000
Woolen and cotton mixtures:		
Flannel (woolen and cotton): not exceeding 33 inches wide, per yard		.015
Italian cloth, plain or figured, having warp entirely cotton and all one color, and weft entirely wool and all one color: not exceeding 32 inches wide and not exceeding 32 yards long	per piece..	.372
Poncho cloth: not exceeding 76 inches wide	per yard..	.030
Spanish stripes (woolen and cotton): not exceeding 64 inches wide, per yard		.014
Union cloth: not exceeding 76 inches wide	per yard..	.030
Woolen and cotton mixtures, unclassed, including alpacas, lusters, Orleans, Sicilians, etc.		5 per ct.
Woolen manufactures:		
Blankets and rugs	per pound..	.020
Broadcloth: not exceeding 76 inches wide	per yard..	.047½
Bunting: not exceeding 24 inches wide and not exceeding 40 yards long per piece		.200
Camlets, Dutch: not exceeding 33 inches wide and not exceeding 61 yards long	per piece..	1.000

Camlets, English: not exceeding 31 inches wide and not exceeding 61 yards long	per piece..	.500
Flannel: not exceeding 33 inches wide	per yard..	.015
Habit cloth: not exceeding 76 inches wide	do....	.047½
Lastings, plain, figured or craped: not exceeding 31 inches wide and not exceeding 32 yards long	per piece..	.450
Llama braid	per picul..	5.000
Long ells: not exceeding 31 inches wide and not exceeding 25 yards long per piece		.250
Medium cloth: not exceeding 76 inches wide	per yard..	.047½
Russian cloth: not exceeding 76 inches wide	do....	.047½
Spanish stripes: not exceeding 64 inches wide	do....	.021
Woolens (unclassed)		5 per ct.
Woolen and worsted yarns and cords (not including Berlin wool)	per picul..	5.300
Berlin wool	do....	4.000
Wooloa or berlinette	do....	3.500
Worm tablets, in bottles, not exceeding 60 pieces	per dozen..	.035
Yarn:		
Asbestos	per picul..	2.250
Coir		5 per ct.
Cotton—		
Bleached or gray	per picul..	.950
Dyed		5 per ct.
Gray	per picul..	.950
Mercerized or gassed		5 per ct.
Wooloa or berlinette	per picul..	3.500
Wool, Berlin	do....	4.000
Woolen and worsted (not including Berlin wool)	do....	5.300

NOTE—If any of the articles enumerated in this tariff are imported in dimensions exceeding those specified, the duty is to be calculated in proportion to the measurements as defined.

RULES *

Rule I.

Imports unenumerated in this Tariff will pay Duty at the rate of 5 per cent. ad valorem; and the value upon which Duty is to be calculated shall be the market value of the goods in local currency. This market value when converted into Haikwan Taels shall be considered to be 12 per cent. higher than the amount upon which Duty is to be calculated.

If the goods have been sold before presentation to the Customs of the Application to pay duty, the gross amount of the bona fide contract will be accepted as evidence of the market value. Should the goods have been sold on c. f. and i. terms, that is to say, without inclusion in the price of Duty and other charges, such c. f. and i. price shall be taken as the value for Duty-paying purposes without the deduction mentioned in the preceding paragraph.

If the goods have not been sold before presentation to the Customs of the Application to pay Duty, and should a dispute arise between Customs and importer regarding the value or classification of goods, the case will be referred to a Board of Arbitration composed as follows:

An official of the Customs; a Merchant selected by the Consul of the importer; and a Merchant differing in nationality from the importer, selected by the Senior Consul.

Questions regarding procedure, etc., which may arise during the sittings of the Board shall be decided by the majority. The final finding of the majority of the Board, which must be announced within fifteen days of the reference (not including holidays), will be binding upon both parties. Each of the two merchants on the Board will be entitled to a fee of Ten Haikwan Taels. Should the Board sustain the Customs valuation, or, in the event of not sustaining that valuation, should it decide that the goods have been undervalued by the importer to the extent of not less than 7½ per cent., the importer will pay the fees; if otherwise, the fees will be paid by the Customs. Should the Board decide that the correct value of the goods is 20 per cent. (or more) higher than that upon which the importer originally claimed to pay Duty, the Customs authorities may retain possession of the goods

* In connection with these rules, consult the international Agreement relating to the revised import tariff of 1902 (No. 1902/6, *ante*). For the text of the Rules as revised by the International Tariff Conference, December 19, 1918, see the Rules annexed to No. 1918/18, at p. 1483, *post*.

until full Duty has been paid and may levy an additional Duty equal to four times the Duty sought to be evaded.

In all cases invoices, when available, must be produced if required by the Customs.

*Rule II.**

The following will not be liable to Import Duty: Foreign Rice, Cereals, and Flour; Gold and Silver, both Bullion and Coin; Printed Books, Charts, Maps, Periodicals, and Newspapers; *Samples in reasonable quantities, and certified to be for show and not for sale; Government Stationery for Consulates in China; Passengers Baggage for* bona fide *private use; Circulars, etc., distributed gratis by mercantile houses; and Private Effects (not including Wines, Stores, and Tobacco) of individual Foreigners imported by themselves for their own personal use and not for sale, provided that the Customs authorities are satisfied that the articles in question fulfil these conditions.*

A freight or part freight of Duty-free commodities (*personal baggage of less than twenty passengers and* Gold and Silver Bullion and Foreign Coins excepted) will render the vessel carrying them, though no other cargo be on board, liable to Tonnage Dues.

Drawbacks will be issued for Ships Stores and Bunker Coal when taken on board.

Rule III.†

Except at the requisition of the Chinese Government, or for sale to Chinese duly authorized to purchase them, Import trade is prohibited in all Arms, Ammunition, and Munitions of War of every description. No Permit to land them will be issued until the Customs have proof that the necessary authority has been given to the importer. Infraction of this rule will be punishable by confiscation of all the goods concerned. The import of Salt is absolutely prohibited.

SHENG HSÜAN-HUAI.
LÜ HAI-HUAN.

Subject to the approval of His Imp. & Roy.
Apostolic Majesty's Government E. v. HIRSCH.
Ad referendum D. SIFFERT.
DR. BOYÉ.
JAS. L. MACKAY.
E. HIOKI.
M. ODAGIRI.
J. YAMAOKA.
Ad referendum advocaat F. B. v'JACOB.
JOHN GOODNOW.‡

Note 1.

In reference to the rights and privileges of consular officers as assessors in mixed cases in the Chinese courts, consult the following "Protocol of understanding in regard to the method of procedure to be followed when an American plaintiff sues a Chinese defendant in the Tientsin consular district":

Protocol of Procedure in Mixed Cases in Chinese Courts in Tientsin District.—October 24, 1917.

"*Court:* Such cases are to be tried, not in the Shen P'an T'ing, but in a court held by the local territorial officials (Ti Fang Kwan).

"*Assessor:* Notice of the time and place of the hearing, when set, shall be sent to the American Consul General well in advance, so that, in accordance with the treaty, he may, if he wishes, send an Assessor to sit in the case.

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* In the text as given in *U. S. Treaty Series,* Rule II is printed in full; but with reference to the two passages which are herewith printed in italics, there is added as a note the text of the despatch addressed by the foreign members of the Import Tariff Revision Commission to the Chinese Commissioners, under date of August 29, 1902 (printed at p. 340, *ante,* in the first note to No. 1902/6), recording the elimination from Rule II of the italicized passages.

† For modification of this rule, see the revised Regulations for arms and ammunition, May 30, 1908 (No. 1908/10, *post*).

‡ Signed by representative of France March 30, 1904; by representatives of Italy, Russia, Norway and Sweden, March 28, 1903; of Denmark, March 23, 1904; and of Portugal, November 11, 1904.

"*Introduction of Witnesses:* The Assessor shall have the right to introduce such witnesses as he wishes, but the summons for witnesses of Chinese nationality shall be issued by the Judge of the Court hearing the case. It is understood that, when the Assessor indicates to the Judge his desire to introduce a certain witness, the Judge has no option but to summon that witness.

"*Examination of Witnesses:* The Assessor shall have the right, in accordance with the treaty, to question the witnesses produced in the Court, but it is understood that in putting his question to witnesses the procedure will be for the Assessor to inform the Judge at the time in the Court that he wishes a certain question put to the witness and that the Judge shall then and there, forthwith, put that exact question, in the words and phrasing of the Assessor to the witness. It is understood that the Judge has no option but to put the questions of the Assessor and to do so in the Assessor's exact words.

"*Cross Examination of Witnesses:* The procedure in the cross examination of witnesses shall be the same as in direct examination, it being understood, in accordance with the treaty, that the Assessor has the right to cross examine any witness.

"*Recognition of Assessor:* The Assessor shall be given due and proper recognition, treated with the courtesy due to his Government and his position, and seated at the table with the Judge, not at a side table.

"Signed at Tientsin, China, this 24th day of October, 1917.

"(Signed and sealed)
"HUANG YUNG-LIANG,
"*Special Commissioner of Foreign Affairs for Chihli Province.*

"(Signed) "P. R. JOSSELYN,
"(Sealed) "*Vice Consul of the United States of America, in Charge of the American Consulate General at Tientsin, China.*"

Note 2.

To the text of the commercial treaty as printed in *Customs* is annexed (Vol. I, pp. 761 *et seq.*) the following exchange of notes in reference to the provisions of Article IV:

Exchange of Notes regarding Taxes.—September 24, 1903.

"SHANGHAI, *24th September, 1903.*

"GENTLEMEN,

"In our discussions we have on several occasions insisted that this Treaty should embody both the provisions contained in the revised British Commercial Treaty recognizing the right of China to collect consumption duty and excise duty, and also her right to levy production duty in order to make good the duty which would have been leviable on goods in transit by the Native Custom-houses inland, now abolished. While you have not agreed to embody these provisions in your Treaty, you have constantly replied that the United States has no intention of limiting in this Treaty the sovereign rights of China excepting as specified therein.

"It was our intention to write a dispatch to be an Annex to the Treaty specially affirming the right of China to levy the taxes mentioned above. However, you have at our urgent request inserted in the 4th Article of this Treaty a very broadly worded clause as follows:—'Nothing in this Article is intended to interfere with the inherent right of China to levy such other taxes as are not in conflict with its provisions.'

"This more completely covers the ground than such a dispatch would have done. We therefore only desire now to state again that China reserves her right to levy any and all taxes, provided only that they do not conflict with the provisions of our Treaty with you.

"We have the honor to be, Gentlemen,
"Your obedient servants,

[Cards enclosed]
"*Treaty Commissioners for China.*

"HON. J. GOODNOW,
"HON. J. F. SEAMAN,
"*Treaty Commissioners for the United States.*"

"SHANGHAI, *September 30th, 1903.*

"GENTLEMEN:

"We have received your dispatch of September 24th.

"In framing this Treaty we have endeavored to recognize the right of China as a sovereign state to levy such taxes as are not in conflict with the provisions of this Treaty

which is intended to extend the commercial relations between, and promote the best interests of, the people of the two countries. With this end in view, we inserted at your request in Article IV the clause 'Nothing in this Article is intended to interfere with the inherent right of China to levy such other taxes as are not in conflict with its provisions.' We, with Your Excellencies, appreciate the fact that this clause is comprehensive and conserves to the fullest extent the sovereign rights of China except as specified in this Treaty.

"We are, Sirs,

"Your obedient servants,

"(Signed) JOHN GOODNOW,
"(Signed) J. F. SEAMAN,
"*Treaty Commissioners for the U. S.*

"To Their Excellencies,
"LÜ HAI-HUAN,
"SHENG HSÜAN-HUAI,
"WU T'ING-FANG,
"*Treaty Commissioners for China.*"

Note 3.

Under date of October 1, 1907, was issued an Imperial Edict in regard to the protection of missions, of which the following is a translation:

Chinese Imperial Edict for Protection of Missions.—October 1, 1917.

"An Edict for the protection of missions in accordance with treaty provisions. It is the duty of all local officials to protect missionaries wherever found in China, in respect to their persons, lives, money and property.

"In the last two or three years there have been cases in every province of the burning of the buildings belonging to missionary societies. No locality has been able to keep away from doing injury to missionaries. We are greatly grieved at this. We are pushing inquiries as to the cause. A large part of the disagreement arising between the missionary societies and the common people is caused by the crookedness of the Yamen underlings.

"In times past treaties have been concluded in which it is clearly stipulated that missionaries shall do their duty in preaching their doctrines. Those who practice these doctrines should not be oppressively treated nor obstructed. If, however, there arises any question coming under the jurisdiction of Chinese law, the local officials must conform to said law in that which they do. The necessary distinctions are clearly shown.

"Let the Viceroys and Governors of all the Provinces have printed all the clauses of the treaties concerned with missions and circulate them among their subordinates, to the end that they may be energetically explained to the people and observed by the officials.

"The missionaries, on the other hand, must likewise observe treaty stipulations. The people, whether in or out of the mission societies are alike Our children and are all amenable to the country's law. So far as infraction of the laws and lawsuits are concerned all the people are on an equality. They should on no account be treated with any discrimination. Thus the laws will be respected.

"Let it be known forthwith to the common people and to the members of the societies that the relations of each to the others must, according to their duty, be just; the officials and their underlings must be upright in their jurisdiction. Let the people and the members of the societies of their own accord make an end of their mutual anger and jealousy. For there are certain rowdies who deceitfully stir up trouble with false reports. Continual guard should be taken against these occurrences and on signs of their appearance they should be prevented.

"If the local officials do not understand the treaty provisions, or if they are negligent or unjust in their administration, or if they are pusillanimous and backward in their actions, then gradually serious trouble will arise. In that case these officials will be sought out and condignly punished. This Decree is for their warning.

"Respect this."

See also the Memorial and Rescript of March 12, 1908, in regard to the revision of the procedure governing intercourse between the local officials and missionaries (No. 1908/4, *post*).

NUMBER 1903/6.

FRANCE AND CHINA.

Contract for the Yunnan Railway.—October 29, 1903.*

The 19th and 20th of the 3rd moon of the 24th year of Kuang-Hsü, corresponding to the 9th and 10th of April, 1898, Notes were exchanged between Mr. Dubail, Chargé d'Affaires of the French Republic at Peking, and the Tsungli Yamen.

In those Notes is contained the following:

1st.—The Chinese Government grants to the French Government, or to the French company which the latter may designate, the right to construct a railway running from the frontier of Tonkin to Yunnan Fu, the Chinese Government having no other obligation than to furnish the land for the road and its appurtenances.

2nd.—The route of this line is now being surveyed and will be fixed later on by agreement between the two Governments.

3rd.—Regulations will be jointly made. In the dispatch of the Tsungli Yamen it is said that these conventions are destined to draw closer the bonds of friendship that unite France and China, and that the two nations ought to strengthen the good relations that exist between them and avert forever any cause of conflict.

The French Government has therefore designated, to construct and operate the railway from Tonkin to Yunnan Fu, the *Compagnie française des Chemins de fer de l'Indo-Chine et du Yunnan,* which has been constituted by the most important financial establishments of France.

The route of the railway has, on the other hand, been surveyed by the French Government and then by the *Compagnie française des Chemins de fer de l'Indo-Chine et du Yunnan.*

To give effect to the conventions cited above, the High Contracting Authorities have, by mutual agreement, established the present regulations for the purpose of averting forever any cause of conflict, and assuring the carrying out of the undertaking and the operation of the railway under conditions satisfactory to all.

ARTICLE I.—The route of the railway to be constructed between the frontier of Tonkin and Yunnan Fu will start from Hokow and pass by or near Mengtsz on the way to Yunnan Fu.

If it should hereafter be deemed necessary by the French Government to make any modifications in the route indicated above, notice thereof will be given to the High Authorities of the Province of Yunnan by official dispatches from the Consul General of France in residence in that province. After examining

* Translation from the French text.

In connection with this contract see also the exchange of notes of April 9 and 10, 1898 (No. 1898/7, *ante*). See Note to this document, *post,* p. 462.

the proposals submitted, in consultation with the engineers, and upon its being recognized that no objection exists, an answer will be given immediately by the High Authorities of Yunnan to the Consul General of France, by means of an official dispatch giving the necessary consent, whereupon the modifications may be effected.

In case of disagreement between the High Authorities of the Province of Yunnan and the Consul General of France, it will be adjusted by agreement between the Legation of the French Republic, at Peking, and the Wai-wu Pu.

ARTICLE II.—When the agents for the work shall have fixed definitively upon the detailed plans for the railway, they will draw up a detailed map of the route, and will precisely indicate thereon the locations of stations and yards.

The land necessary for the construction of stations, yards and workshops, stores, in short everything included under the term appurtenances (*dépendances*), will be indicated quite clearly by dimensions, and the use to which it is to be put will be mentioned. Such use will be solely for the needs of the railway, and only so much of the land will be taken as is strictly necessary for the proposed purpose. The effort will be made first of all to make use of public lands. The effort will likewise be made to avoid so far as possible temples and graves, as well as dwelling houses and market gardens.

The plans will be sent in duplicate, as the work of survey progresses, through the intermediation of the Consul General of France to the High Authorities of Yunnan, in order that the latter may be able to acquire possession of the necessary lands. One of these copies will be returned by the High Authorities to the Consul General after having been stamped with the seals of the Provincial Government. One copy will be preserved in the archives.

On the other hand, the lands having been from time to time turned over within the periods fixed in Article III, the work may commence whenever the complete transfer thereof shall have been effected.

ARTICLE III.—The Consul General of France will make known from time to time as needed, by official letters to the High Authorities of Yunnan, the lands which may be necessary for the railway line and its appurtenances, and the expropriation of which may have been determined on by the engineers of the work, as stated in Article II.

Lands belonging to the imperial domain are to be turned over immediately.

Lands belonging to private persons will be purchased by the High Provincial Authorities so as to be turned over in each case within a period of not more than six months after the official letters requesting their transfer shall have been sent by the Consul General of France.

To obviate all dispute between the Railway Administration and the former owners of the soil, duplicates of the deeds of sale will be turned over to the Railway Administration by the Provincial Authorities. In these deeds, the owners and lessees of the lands are to declare that they have been indemnified for all damages that the construction of the railway might occasion them. The forms for these deeds shall be drawn up by mutual agreement between the High Provincial Authorities and the Consul General of France.

The agents of the Railway will have trenches dug to indicate the boundaries of the lands thus transferred.

ARTICLE IV.—There may be established, to the side of the construction work on the railway line (*latéralement aux entreprises de la voie ferrée*) a service road of two or three meters in width for the movement of the personnel of the railway employed in surveys and in the work of construction, for the preparations in connection with the work, and also for the transportation of tools, machines, and supplies. This road, on which a temporary track may be laid, will be so arranged as to cause the least possible damage to private property.

The builders will also be at liberty to lay down service railways to lead to the quarries, for the extraction and transportation of materials, and for access to the yards of the railway and its appurtenances.

The lands necessary for the establishment of these roads will be transferred by the Provincial Authorities on the same conditions as the lands necessary for the establishment of the railway line and its appurtenances.

If the lands necessary for the establishment of the service roads are leased to private individuals, the rent for them will be paid by the Company, and on completion of construction the lands will be returned to their owners.

ARTICLE V.—The work will begin at Hokow; but it is herewith agreed that the yards may at the same time be opened along the line of the railway wherever it may be necessary, at the points indicated by the engineers, as, for instance, for the construction of bridges, the digging of cuts and tunnels, the building of stations, and other yards.

ARTICLE VI.—The gauge of the track, between the inner edges of the rails, will be one meter.

ARTICLE VII.—The railway track must not in any case, along the line, cause damage to the walls of city fortifications, to public institutions, or to important posts for the defense of the country.

If rivers or irrigation canals are encountered, means must be taken to deal with them, either by constructing bridges or by installing culverts so as to assure their flow in the most convenient manner and to cause no injury to farming interests. These works will be at the expense of the builders.

ARTICLE VIII.—For the materials necessary for construction, all means will be taken to make use, so far as possible, of those to be found in the country.

The local authorities will do their utmost to assist therein, and the agents for the work may address themselves to those authorities in order to have the prices thereof fixed by mutual agreement in accordance with the prices current in the districts in question.

The builders will, however, reserve the right to deal directly with the merchants for the purchase of such materials. They may have these purchases registered by the local mandarins in order to prevent any fraud and to avoid any dispute as to the carrying out of the contracts. The prices fixed will be paid by the builders.

It is understood that the builders will have the right to supply themselves elsewhere in China when they do not find locally the materials and supplies

necessary, or when the local dealers insist upon a price exceeding the current price.

ARTICLE IX.—As regards the extraction of stone and sand from the quarries, as well as the furnishing of wood from the forests, information will be given in advance to the local authorities, who, after having satisfied themselves of the possibilities, will in as short a space of time as possible give the lands necessary for the purpose of such quarrying, if they are included in public lands. As to forests, even when they are property of the public domain, the purchase of felling rights must be negotiated with the local authorities.

But if such sites are found upon private lands, the materials must be purchased either upon an understanding with the local authorities or by direct bargain made with the owners.

The prices fixed will be paid by the builders.

ARTICLE X.—All the lands which may be used only during the construction of the railway line, such, for example, as the yards and storing-places for materials, the roads for the transportation of materials and approaches to the yards, the quarries, the dumps of earth, the places for excavating earth, the temporary lodgings for workmen and agents of construction, the establishments necessary only during construction, will all be immediately restored to the Authorities of Yunnan from time to time as they are no longer needed.

The Authorities will thereupon return them to their owners.

ARTICLE XI.—When the main line shall have been finished, if the two parties consider it advantageous, then, after an agreement with the High Authorities of Yunnan and an understanding between the Minister of France at Peking and the Wai-wu Pu as to the manner of procedure, branches connecting with the main line may be constructed.

ARTICLE XII.—The engineers, foremen and overseers of the work, as well as all technical employees, may be taken from among foreigners. The rest of the workmen of every sort will be taken first of all from among the people of the province. In the event that the workmen of Yunnan should not be numerous enough, or if the wages demanded by them should be too high, the builders may engage Chinese laborers from the other provinces.

With a view to preventing agitators from making their way into the province, the Chinese laborers coming from other provinces, as well as those recruited in Yunnan, must present themselves to the local authorities to be matriculated.

The various prices and wages for the day or for the job will be equitably fixed. They will be paid either daily or at fixed intervals, in accordance with an agreement between the builders and the laborers.

In the event of a progressive increase of prices or of a combination among the Chinese laborers, resort will be had to the local authorities, who will do all that is incumbent upon them to assist and to fix the wages in agreement with the agents of the railway, and to tranquilize the people.

If the local authorities have fixed a rate, and the Chinese laborers continue to refuse to go to work, the Company shall then, upon determination of that fact by the local authorities, be authorized to have resort to foreign laborers.

ARTICLE XIII.—The Chinese employees and laborers in the service of the

railway shall be treated with kindness. Those who may be sick will receive medical care and medicines. Those who may in the course of the work be injured or incapacitated will be generously assisted, as will also the families of those who may have been accidentally killed.

ARTICLE XIV.—The agents employed and the laborers in the construction yards will all be placed under the authority and supervision of the Engineer-in-Chief and of his authorized representatives. They may not be ill-treated. All questions and matters of legal procedure, lawsuits, murders, thefts, quarrels and disturbances that may arise among the Chinese laborers will be under the jurisdiction of the competent local authorities, who will make investigations and punish the guilty according to law. If any one of these individuals whatsoever be judged and punished, the agents of the railway must at once deliver him over upon being informed by the local authorities, and they may not stand in the way of justice by extending their protection over him.

The local authorities must likewise, at the request of the European agents, arrest and punish according to law all such Chinese agents as may have been guilty of crimes, thefts or misdeeds towards the foreign agents.

If it be found that any of the foreign agents offend against the proprieties or infringe the rules, they must be dealt with in accordance with the articles of the treaties. The Chinese and foreign laborers, and the agents, without distinction of nationality, must not arbitrarily force their way into the dwelling of anyone else, and thus give rise to incidents with the people. Those who disregard this rule will be severely dealt with, in accordance with the law.

All purchases of articles of provisions must be paid for equitably at the market price.

ARTICLE XV.—For the purpose of guaranteeing tranquility in the yards, the Company, in agreement with the High Functionary residing at Mengtsz, may at its own expense enroll native militia, and choose Chinese or European chiefs of police who will command them and will select the important points at which these police forces are to be placed with a view to maintaining order; in case the native militia should be inadequate (*impuissantes*), the High Authorities of Yunnan must, upon a request being addressed to them by the agents of the railway, dispatch detachments of regular soldiers to such points. The militia enrolled by the Company shall have no other function than to exercise police control over the yards and among the laborers.

After the completion of the line, these militia troops may be employed at the expense of the Company for the upkeep of the line. In all cases, the protection of the work from any trouble on the part of the population is a matter for the Authorities of the Province, on their sole responsibility. The Company must not in any case call in European troops.

ARTICLE XVI.—When the agents of the railway arrive in Yunnan, the Vice Consul at Hokow will give notice thereof to the Vice Commissioner of the Frontier who resides in that City. The latter will within three days deliver to those concerned temporary passports permitting them to enter the territories of Yunnan. When the agents arrive at Mengtsz, the Customs Taotai will within three days have a regular passport made out, to be substituted for the other.

The agents furnished with such passports in conformity with the rule will receive, in all their movements, complete protection on the part of the local authorities, but the authorities will take no responsibility in regard to any person who should not be supplied with such a passport.

ARTICLE XVII.—When the agents for the work arrive in Yunnan, their names must be transcribed into Chinese characters, and brought by the Consuls to the knowledge of the High Authorities of the Province. A register, in which these names will be recorded, will be kept by both parties. These names cannot thereafter be changed under any pretext.

Every change or change of residence of the agents must likewise be brought to the knowledge of the authorities, in order to facilitate investigations whenever and wherever necessary.

The names carried in the registers must be identical with those written in the passports: there must be no discrepancy.

ARTICLE XVIII.—For the renting of houses for the agents of the work in the vicinity of the line, official notice must be given to the local authorities, after which negotiations are to be carried on with the owners of the houses. A copy of the contract of lease must be sent to the local authorities, who will retain it in their archives.

ARTICLE XIX.—In going about their duties the agents of the work, as also the laborers, must be careful of private property. Whenever damage may have been caused, whether to buildings or to cultivated places, a valuation will be undertaken with the local authorities, and the amount of indemnification to be paid will be determined by agreement in such manner as to show real kindness towards the population.

ARTICLE XX.—The customs regulations forbid in principle the importation of powder and explosives. Inasmuch, however, as these products are indispensable for use in the construction of a railway line, it is necessary to make an exception to the rule, and to permit their entry. A declaration of the quantities of powder and explosives to be entered must as a matter of course be made to the Customs in due time, and after an examination shall have been made of the products, suitable places will be selected, by agreement with the local authorities, for the construction of storage magazines in order to prevent any accident.

If it is more advantageous to manufacture these products locally, that fact should be communicated in advance to the High Authorities of Yunnan, who, on ascertaining that there is no objection, will grant permission to establish special factories, and will name delegates to supervise in common and to control the manufacture. Whether the explosives be imported or manufactured locally, they are in either case to be limited to the quantities absolutely necessary.

A special register will be kept, in which will be noted with the utmost detail the exact quantities of such products on hand in the magazine. Each month, the local authorities will make an inspection thereof and draw up a report. The powder and the explosives will be used strictly for the work of the railway, and none can be sold. All precautions of prudence must be taken so that no harm may result to the population. If by any accident persons or

stock are injured, or if properties are damaged, an indemnification must be paid or a gift for relief be made, in accordance with the circumstances.

ARTICLE XXI.—When the railway has been finished and is in operation, the import and export duties will be levied on imported and exported goods according to the tariff. Goods despatched into the interior, having paid the transit dues, will no longer be liable to any tax at the *Likin* offices; but they will pay the Customs and *Likin* duties at the Customs and *Likin* offices if they have not paid the transit dues.

China must hereafter give attention to the question of increasing the Customs offices in order to facilitate verification. Later, when the rules in regard to the increase of Customs duties shall have been fixed, the goods transported by the line must be dealt with in accordance with these new tariffs.

ARTICLE XXII.—The machinery, equipment and materials necessary for the construction and the operation of the railway shall not be subject to any Customs duties upon importation. These articles will, at the time of being entered, be the subject of a declaration at the first Chinese station at which there is a Customs office, but without the builders having to transport the material beyond the point where it is to be used. This declaration will specify the number and the character of the articles imported.

ARTICLE XXIII.—The passenger and freight tariffs will be fixed by the concessionary Company.

The dispatches and official letters sent by the High Chinese Authorities, as also the mail bags of the Administration of Chinese Imperial Posts, with a messenger, will be transported without charge in the regular trains.

The Chinese Posts may rent from the Company a car for the transportation of letters, or themselves provide a special car which the Company must attach to the trains. They may at any time whatever have a special postal train dispatched. The charge for the rent of a postal car will be half of the price for a passenger car. This price cannot be further reduced.

To send a special postal train, a certificate from the High Authorities of Yunnan will be required. There will be a special reduced price therefor. The price is not to exceed fr. 1.50 per kilometer traversed, with a single engine, or fr. 2.50 per kilometer traversed, with two engines. It is understood, moreover, that the postal regulations in force in China must be complied with.

If the Chinese Government has occasion to dispatch troops of any sort, or arms or munitions or provisions for such troops, or assistance in kind to be distributed gratuitously (in case of famine or other disaster), such consignments shall have the right of way over all other transportation, and the price will be half that of the ordinary tariff. This reduction will not apply to troops traveling in the fourth class.

ARTICLE XXIV.—The present railway line having as its sole purpose the facilitation of commerce, once it has been built and train traffic has commenced, the use of it will not be permitted for the purpose of transporting Annamite salt, or European troops, or military arms, or munitions which might serve for the use of such European troops. It must not carry articles forbidden by the laws of China.

If China has a war with a foreign nation, the railway may not observe the rules of neutrality; it will be at the entire disposal of China.

ARTICLE XXV.—There shall be paid to the Chinese Government by the Railway Administration a yearly sum of twenty francs per kilometer of the railway under construction or in operation, in repayment of its expenses in guarding the railway.

ARTICLE XXVI.—When the railway line shall have been completed, use must so far as possible exclusively be made of Chinese as guards for the track and as laborers on the work of its upkeep. In each locality, one of the elders who is most worthy of confidence will be entrusted with arranging for employment, in order that the individuals so employed may be peaceable and honest folk.

In order to facilitate the control of them, each of the employees will be furnished by the local authorities with a card, which will be asked for them by the notable entrusted with recruiting them.

ARTICLE XXVII.—If in the course of operation of the railway damages should be caused to property, or injuries should be occasioned to individuals, through accidents attributable to the operating Company, the latter must make an allowance for relief, or pay an indemnity to remedy the damage caused by its act.

It will be the same in the case of damages or injuries caused by a faulty management of the trains put into operation before the full completion of the work.

ARTICLE XXVIII.—Special schools may be established at the expense of the Company, where the Chinese will be taught with a view to their becoming interpreters and technical agents.

Afterwards, when the Administration of the Railway is in need of personnel, it shall choose first of all from among the students trained in these schools.

ARTICLE XXIX.—The Administration of the Railway may, as the opening of the several sections proceeds, build the telegraph or telephone line to follow the track. These lines will be solely for the service of the railway, and may not receive or dispatch telegrams for the public.

ARTICLE XXX.—All questions concerning the railway that shall require agreement with the High Provincial Authorities shall be discussed between the Consul General of France and the High Provincial Authorities.

It is understood that when technical questions are concerned, the judgment of the engineers will be accepted.

ARTICLE XXXI.—When the work on the line begins, notice thereof will be given by official letters from the Consul General to the High Authorities of Yunnan, and the latter will immediately designate a high official personage for the purpose of consulting, throughout the length of the line, with the agents of the railway, in order to adjust in accord with them matters concerning the execution of the work in accordance with the understanding arrived at between the Consul General and the High Provincial Authorities. The latter likewise consent to delegate a certain number of functionaries to whom they will give

instructions to assist the agents and to help them in their work. Should complications arise with the people of the country, it will be the duty of these delegates to adjust them in cooperation with the local authorities, in such fashion that no misunderstanding may arise and no quarrel be started among the population.

If incidents take on a grave character and cannot be satisfactorily settled locally, a report will be drawn up in order to enable the Authorities of Yunnan to settle the matter with the Consul General of France. If the question lies outside the powers of the High Authorities, it will be taken to Peking, where it will be settled between the Chinese Government and the Minister of France.

ARTICLE XXXII.—During construction, there shall be paid monthly to the High Authorities of Yunnan a sum of 4450 taels to defray the expenses of maintenance and the traveling expenses of the high official resident in Mengtsz, of two mandarins under his orders (one of them concerning himself with lands, and the other with justice, in that city), of one functionary corresponding to them near the High Authorities at Yunnan Fu, of twelve delegates assigned by the Province to assist in the construction of the line, of ten chiefs of police and two hundred and forty men of the guard, of one interpreter, and of all the subordinate functionaries.

ARTICLE XXXIII.—The present regulations, when they shall have been approved by the Chinese Government, will constitute the definitive rule by which all questions concerning the construction and operation of the railway will be determined.

ARTICLE XXXIV.—At the end of twenty-four * years the Chinese Government may enter into negotiations with the French Government to take back the line and all properties connected therewith, upon the full payment of the costs of construction, industrial profits, interest paid, and the expenses of every sort attributable to the railway (*moyennant le remboursement intégral des frais de construction, de la main d'œuvre industrielle ainsi que des garanties d'intérêt payées et les dépenses de toute nature imputables au chemin de fer.*)

If at that time the said costs, values and expenses have been fully repaid by the revenues of the line, the line and all its appurtenances may be turned over without charge into the hands of the Authorities of Yunnan, who will take control of it. For the appraisement of the construction and other expenses, the French budget accounts, established at the time when the negotiations above contemplated may have been entered into, will be taken as a basis for estimating whether or not China would eventually have to make a payment before entering into possession of the railway.

Done and signed at the Ministry for Foreign Affairs at Peking, in four originals, October 29, 1903 (10th day of the 9th moon of the 29th year of Kuang-Hsü), by Their Excellencies Mr. Lien Fang, Secretary of State at the Ministry for Foreign Affairs of China, and Mr. Pierre Réné Georges Dubail, Envoy Extraordinary and Minister Plenipotentiary of the French Republic in China.

(Sgd.) G. DUBAIL. (Sgd.) LIEN FANG.

* The French text to which the Editor had access gave this figure as *vingt-quatre;* there is, however, some reason to doubt whether this was not a typographical error for *quatre-vingt* (*i.e.*, eighty).

Note.

Doc. Dipl., Chine, Juin—Octobre, 1900, contains the following comment concerning the Yunnan Railway:

"By a convention of the 9-10 April, 1898, the French Government secured for itself or for the Company chosen by it, the right to build a railway from Laokay (frontier of Tongking), to Yün-nan Hsien (450 kilometers), and a law of December 25, 1898, authorized the Government of Indo-China to grant a guarantee of interest to the Company which might become the grantees of this line.

"In conformity with this law, the Governor General of Indo-China signed the 15 June 1901, with a syndicate of the principal financial houses of Paris, a convention for the building of the railway from Laokay to Yün-nan Hsien and for the working of the whole line from Haiphong to Yün-nan Hsien.

"This convention was ratified by a law of July 5, 1901.

"The principal provisions of the convention are the following:

"The syndicate agrees to organize, within three months from the date of the passage of the law approving the convention between the Government of Indo-China and it, a stock company with a capital of 12,500,000 francs, to work the line from Haiphong to Laokay which is to be built by the Government of Indo-China, and for the purpose of building itself and working the railway from Laokay to Yün-nan Hsien. The company will receive from the colony a subvention of 12,500,000 francs and also a guarantee of three millions of francs payable during 75 years, for the bonds which it shall have issued for the purpose of building the railway.

"Last July (1901) the *Compagnie française des chemins de fer de l'Indo-Chine et du Yunnan* was organized, and the bonds have just been issued.

"For the purpose of building the line from Laokay to Yün-nan Hsien, the company has negotiated with the *Régie générale des chemins de fer* and the *Société de construction des Batignolles*, which have formed for this purpose the *Société de construction de chemins de fer indo-chinois* with a capital of 4 million.

"The *Société de construction* has sent during the present month (October, 1901), survey parties to Yün-nan for the final study of the line."

The line from Hokow to Yunnan Fu was completed in 1910.

NUMBER 1903/7.

BELGIUM (Compagnie Générale de Chemins de Fer et de Tramways en Chine) AND CHINA.

Loan Contract, and Operating Contract, for the Kaifengfu—Honanfu Railway. —November 12, 1903.*

(I)—LOAN CONTRACT.

Between the Undersigned:

1° The Imperial Chinese Railway Company, represented by H. E. Sheng Kung Pao, Director General, duly authorized by the Chinese Government,

2° La Compagnie Générale de Chemins de Fer et de Tramways en Chine,

* Translation of the loan contract, printed in *Rockhill*, p. 389, with date and signatures supplied from French version printed in *Wang*, p. 285; operating contract translated from the French text as printed in *Wang*, p. 315. Loan contract printed also in *F. E. Review*, vol. 5, p. 145; *Kent*, 278.

These contracts were modified by the Lung-Tsing-U-Hai Railway Contract of September 24, 1912 (No. 1912/11, *post*).

The Kaifengfu—Honanfu Railway is also known as the *Pienlo* Railway.

represented by Monsieur Armand Rouffart, its delegated Administrator, provided with full powers,

It has been agreed as follows:

ARTICLE I.—The Director General of the Imperial Chinese Railway Company H. E. Sheng Kung Pao has asked, in a report, the Chinese Government that a line of railway should be built starting from a point called Yung Tse on the Railway line of the Luhan where the latter crosses the River. From that point eastward to Kaifeng the line will be 170 *li* long and westward to Honan Fu it will cover 250 *li*. These two branches of the Luhan to be built by a Belgian party (*groupe*) which will make a Loan to build them.

This proposal was accepted by a decree dated the 30th day of the 10th moon of 25th year of the present reign.

Monsieur Rouffart, the representative of La Compagnie Générale de Chemins de Fer et de Tramways en Chine, has asked us by letter, to undertake this building, and we sent a Chinese official to accompany him in his preliminary study on the ground. After said study, Monsieur Rouffart estimated the probable cost of these two branches at ONE MILLION Pounds Sterling or 25,000,000 francs; and for all other terms the contracts from Peking to Hankow are to be followed.†

Under date of the 29th day of the 12th moon of the 28th year of the present reign, the Wai-wu Pu wrote to me that I was to discuss the terms of the contract with Monsieur Rouffart, and it asked me to settle the matter as promptly as possible.

Considering that Monsieur Rouffart has full powers from the Compagnie Générale de Chemins de Fer et de Tramways en Chine to negotiate this business for it, we, Director General of the Imperial Chinese Railway Company, and Monsieur Armand Rouffart representing the Compagnie Générale de Chemins de Fer et de Tramways en Chine, hereby enter into a contract for a loan, the product of which shall be applied to the building of the Railway from Honan Fu to Kaifeng Fu.

Before signing the contract, the Director General of the Imperial Chinese Railway Company has submitted said contract for Imperial Sanction, and it has been approved under date of October 29th, 1903, that is, the 10th day of the 9th moon of the 29th year of the Reign of Kuang Hsü.

This Decree shall form Annex 1 of the present contract. In virtue of the above the Director General, on account of the Chinese Government, makes a GOLD 5% Loan for the sum of 25,000,000 francs or 1,000,000 pounds sterling. This Loan shall be known as the Chinese Government 5% Gold Foreign 1903 Loan (*Emprunt du Gouvernement Chinois 5% or Extérieur 1903*).

ARTICLE II.—This loan shall be represented by 50,000 bonds of 500 francs GOLD each.

These bonds, the text of which is annexed to the present contract (Annex 2), shall be signed in the name of the Chinese Government by the Minister Plenipotentiary of China at Brussels.

† See the loan and operating contracts for the Peking-Hankow Railway, June 26, 1898 (No. 1898/13, *ante*).

They shall be delivered in fractional bonds (*coupons*) of 1 to 2 bonds in such proportion as the Compagnie Générale de Chemins de Fer et de Tramways en Chine may request, the total number not to exceed 50,000; the expense of making these bonds shall be charged to the Compagnie Générale de Chemins de Fer et de Tramways en Chine. They shall bear 5% interest a year on the nominal capital payable in gold.

Interest shall run from the date of payment of the product (of the sale) of the bonds, and shall be payable the 1st January and 1st July of each year.

Coupons which have become due and have been paid, shall be classed in numeric order by the Compagnie Générale de Chemins de Fer et de Tramways en Chine, and at its expense, and it shall then send them to the Imperial Chinese Railway Company at Shanghai to be cancelled. If the returned coupons are lost in transmission, the Compagnie Générale de Chemins de Fer et de Tramways en Chine must publish the numbers of the paid and lost coupons in four different newspapers, and transmit to the Imperial Chinese Railway Company a declaration stating the loss.

ARTICLE III.—The loan shall be redeemed in twenty years counted from the 10th year of issue, by the method of drawing by lots in the offices of the Compagnie Générale de Chemins de Fer et de Tramways en Chine, in accordance with the table annexed to the present contract (Annex 3). The drawings by lot shall take place on the third Wednesday of April in each year. The first drawing shall take place on that date beginning with the tenth year from the date of issue of the loan.

The numbers of the drawn bonds shall be published in four newspapers at the expense of the Compagnie Générale de Chemins de Fer et de Tramways en Chine.

ARTICLE IV.—The bonds drawn by lots shall be paid in gold at their par value on the date on which falls due the coupon following the date of the drawing. Bonds presented for refunding must have attached all coupons still unpaid, and the amount of missing coupons will be deducted from the capital to be reimbursed. Interest on bonds will cease to accrue from the day set for reimbursement. Paid off bonds shall be classified and sent back by and at the expense of the Compagnie Générale de Chemins de Fer et de Tramways en Chine to the Imperial Chinese Railway Company at Shanghai to be cancelled. If these bonds should be lost on the way, the Compagnie Générale de Chemins de Fer et de Tramways en Chine, shall publish the numbers of the paid and lost bonds in four different newspapers, and transmit to the Imperial Chinese Railway Company a declaration stating the loss.

ARTICLE V.—The Chinese Government denies itself the right, before the date fixed for the first amortization, to fix a larger amortization, or to refund the whole loan or to convert it. After that date it shall be free to refund the loan at whatsoever time it chooses before the dates of payment, and the refunding made all contracts shall be declared annulled.

ARTICLE VI.—Coupons and bonds shall be paid off in francs in the office or offices entrusted with the management of the loan.

ARTICLE VII.—Interest payment and the reimbursement of the bonds pro-

vided for in the present loan shall be guaranteed by the gross revenues of the Imperial Chinese Government.

Furthermore in virtue of the authorization already granted by the Chinese Government, and in accord with it, the Imperial Chinese Railway Company, declares that it makes a preferential assignment in favor of the payment of interest and of the capital of the present loan, and that it cedes and assigns in favor of said obligations, all the net receipts of the line from Kaifengfu to Honanfu, after the regular payment of all expenses of management and operating, the whole as elsewhere indicated in an operating treaty concluded between the Imperial Chinese Railway Company and the Compagnie Générale de Chemins de Fer et de Tramways en Chine, said treaty being annexed to and forming an integral part of the present contract. This assignment is made exclusively and irrevocably until complete redemption of the bonds of the present contract.

ARTICLE VIII.—After auditing and noting the net receipts, the Imperial Chinese Railway Company shall direct the Compagnie Générale de Chemins de Fer et de Tramways en Chine to deposit these funds in a bank to be chosen by common consent. This bank shall convert into GOLD, in accordance with the provisions stipulated in the contract made between the Bank, the Imperial Chinese Railway Company and the Compagnie Générale de Chemins de Fer et de Tramways en Chine, and to the best advantage of the Imperial Chinese Railway Company, the sums paid it, and up to the full amount needed to insure the service of the loan at the next semi-annual payment.

These deposits shall continue to be made until the sum needed for the integral service of the loan on the following date of payment has been realized in GOLD, and in such manner that said service is insured at least three months before the date of the semi-annual payment.

The bank designated for the receipt of these sums shall use them to the best advantage of the Imperial Chinese Railway Company. The account in which these sums shall be carried shall be charged twenty days before the date of payment with the sums needed for the service of the loan, interest, amortization, money expenses, difference of exchange and the commissions provided for by the present contract.

ARTICLE IX.—The bank in which shall be deposited the loan funds shall have the right without further authorization to levy on said funds on deposit the amount of the coupons to be paid during the construction period; but it shall advise the Director General as these payments are made.

ARTICLE X.—To insure the guarantee just given to the bonds of the present contract, the Imperial Chinese Railway Company grants these bonds a special first-class guarantee on the Railway from Kaifengfu to Honanfu, on its fixed and rolling stock and its receipts.

This special assignment is accepted in the name of the bondholders by the Compagnie Générale de Chemins de Fer et de Tramways en Chine. In case of non-fulfillment of the obligations assumed by the Imperial Chinese Railway Company in the present contract, the Compagnie Générale de Chemins de Fer et de Tramways en Chine shall have full power to take such action against said

property as may result from this special assignment, and in that case, the provisions of the operating treaty hereto annexed, must always be strictly observed.

ARTICLE XI.—The preceding provisions do not conflict with the personal responsibility of the Chinese Government concerning the present loan, as said responsibility is specified in Article VII.

Consequently the Imperial Chinese Government pledges itself to make up the sum necessary for the service of the loan in GOLD, in case the sums derived from the net revenues of the line from Kaifengfu to Honanfu and paid in by the Compagnie Générale de Chemins de Fer et de Tramways en Chine, entrusted with this management by the Imperial Chinese Railway Company, to the bank chosen, should not produce after conversion into GOLD and three months before the date of the following semi-annual payment, an amount sufficient to insure said service.

In this case, and on demand made it, the Imperial Chinese Government shall be bound to put at the disposal of the Compagnie Générale de Chemins de Fer et de Tramways en Chine sixty days before the following semi-annual payment falls due, in GOLD or in securities of sufficient amount to produce it in GOLD, the sum stated to it as being needed to make up said service.

ARTICLE XII.—From the sums derived from the deposits by the Compagnie Générale de Chemins de Fer et de Tramways en Chine, entrusted with that duty by the Imperial Chinese Railway Company, or from the supplementary sums paid by the Chinese Government, the Compagnie Générale de Chemins de Fer et de Tramways en Chine shall, in proper season, place at the disposal of the firms entrusted with the management of the loan, the amounts necessary therefor according to the needs as determined during the preceding half year.

ARTICLE XIII.—The Imperial Chinese Government will pay to the firms entrusted with the management of the loan, a commission of ¼% that is to say 25 francs for 10,000 francs on the amount of the coupons paid, and a commission of ¼% on the amount of bonds drawn by lots or redeemed under anticipated refundings. The amount of this allowance shall be settled every six months; and, in case of insufficiency, it will be paid at once by the Imperial Chinese Government.

ARTICLE XIV.—The Imperial Chinese Government binds itself to respect and cause to be respected the privilege provided for in favor of the bonds under Article IX of the present conventions, and to hold free of all Chinese taxation whatsoever the bonds and coupons as well as all operations whatsoever connected with the management (*service*) of the loan. The preceding (provision) concerns the bonds and coupons of the loan and the operations relating to the management of the loan, and which shall be exempt from all taxation. But the taxes now in force in China such as land rent and the taxes which the Chinese Government may impose hereafter, such as a stamp tax levied on the general commerce of China, the Railway provided for in the present contract and its traffic shall bear them. It being understood that no exceptional law shall be passed for the Railway in question, and that the rule which shall be applied to it shall be that of all Chinese Railways.

ARTICLE XV.—Coupons which have not been presented for cashing within

five years after the date on which they fall due, shall be lost by limitation (*prescrits*) in favor of the Imperial Chinese Government. The limit of time shall be of 30 years in case of redeemed bonds.

On the death of any bondholder of the present loan, the bonds shall be transferred and shall belong to the heirs, in conformity with the inheritance laws in force in the country of the bondholder.

Payment of coupons and refunding of bonds shall take place in time of peace and in time of war to the holders whether they be subjects of friendly states or of hostile ones. In case of loss, theft or destruction of bonds of the present loan, the Imperial Chinese Government will authorize the Compagnie Générale de Chemins de Fer et de Tramways en Chine to replace the bonds by new ones at its own expense, whenever it shall have satisfactory evidence of the loss or destruction of the bonds and title deeds (*des titres et des droits*) of the claimants.

Article XVI.—The Imperial Chinese Government through its representatives, shall at once take steps and shall furnish the necessary documents to secure the official listing (of the bonds) in the Bourses of the capitals of Europe.

Article XVII.—The whole amount of the present loan amounting to twenty five millions of francs, represented by 50,000 bonds of 500 francs each, possession to be had from the date of payment, is bought outright (*pris ferme*) by the Compagnie Générale de Chemins de Fer et de Tramways en Chine, at the price of 90%, that is for the sum of twenty two millions five hundred thousand francs.

If on the date of issue, the bonds for the loan for the Hankow-Peking Railway should be quoted below 482.50 francs inclusive of the interest payable (*en tenant compte de la jouissance*) the two contracting parties would have the right to cancel the present contract.

Article XVIII.—The Compagnie Générale de Chemins de Fer et de Tramways en Chine will deposit the full amount of the proceeds of this purchase in the banks designated by it after agreement with the Director General of the Imperial Chinese Railway Company, on delivery of the 50,000 bonds bought outright (*achetées fermes*).

The sum needed for the building of a fixed length of line shall be transferred to Shanghai and deposited in such bank as is mutually agreed upon.

This bank shall convert into taels the sum in accordance with the instructions of the Director General of the Imperial Chinese Railway Company. A sum on the available proceeds of the loan, at least ⅒th of the proceeds of the conversion into taels, shall be deposited in a bank in China, to be chosen by the Director General of the Imperial Chinese Railway Company, and under his sole responsibility, and this deposit shall be applied to expenses at such times as the rates for the conversion of European values into taels may be unfavorable. It being well understood that the depository establishments shall only be required to deliver these sums under the conditions and limitations mentioned in Article XX here below.

The depository bank shall use the sums available in the most advantageous manner for the Imperial Chinese Railway Company, in the same manner as the

available funds deposited in foreign banks shall also be made to produce interest.

ARTICLE XIX.—The construction work for the whole of the line shall be under the direction of the chief engineer chosen by the Compagnie Générale de Chemins de Fer et de Tramways en Chine, entrusted with this work by the Imperial Chinese Railway Company and for its account.

The chief engineer shall prepare all studies, plans, tracings, estimates for the whole of the line; he shall direct the carrying out of all works and shall order the materials, tools and supplies necessary to insure the regular working of the line. Nevertheless all these operations must be submitted for the approval of the Director General of the Imperial Chinese Railway Company.

As the line from Kaifengfu to Honanfu is a feeder (*confluent*) of the Luhan, the width of the rails and the general methods of operating must be the same as on the Luhan.

With the exception of the supplies of material and the expenses of all kinds duly authorized by an act signed by the Director General of the Imperial Chinese Railway Company and paid at Brussels, the Imperial Chinese Railway Company shall place at the disposal of the Compagnie Générale de Chemins de Fer et de Tramways en Chine from the proceeds of the loan, the sums necessary to make, without any exceptions, all necessary payments for the carrying out of the works, the salaries of the staff under its orders, and in general, for all expenses of whatsoever kind. But these payments must always be previously approved by the representatives of the Director General.

After the signing of the present contract, the Imperial Chinese Railway Company directs the Compagnie Générale de Chemins de Fer et de Tramways en Chine to choose an engineer with experience in construction work who shall direct the construction of the line and prepare studies, plans, tracings, and specifications for the whole line, and the whole shall be submitted for the approval of the Director General of the Imperial Chinese Railway Company. Said chief engineer shall be appointed, on recommendation of the Compagnie Générale de Chemins de Fer et de Tramways en Chine, by the Director General of the Imperial Chinese Railway Company, to whom he is directly responsible.

The Director General of Chinese Railways shall fix the amount of his salary, after agreement with the Compagnie Générale de Chemins de Fer et de Tramways en Chine.

The chief engineer shall prepare a tabulated plan of the European staff necessary for the building, and shall submit it for the approval of the Director General of the Imperial Chinese Railway Company. This staff shall be engaged by the Compagnie Générale de Chemins de Fer et de Tramways en Chine, which shall put it under the order of the chief engineer.

As regards the Chinese staff whether technical or other, the Director General of the Imperial Chinese Railway Company reserves to himself the right to choose it, and to put it under the orders of the chief engineer. No Chinese or European employé shall be engaged without the assent of the Director General of the Imperial Chinese Railway Company. It is understood that Chinese subjects who have made special studies or who have acquired sufficient practical knowledge, may be presented by the Director General of the Imperial Chinese Rail-

way Company to the chief engineer, who shall employ them on the works under the same conditions as European employés. As to the technical service, the Chinese staff as well as the European staff shall be under the direct orders of the chief engineer. But the Director General reserves the right to demand the instant dismissal of any agent of whatever nationality on condition that the demand for dismissal is based on serious reasons.

The Director General likewise reserves the right to depute on the works a special Representative with full powers. The salary of said Representative, as also the running expenses of the head office at Shanghai shall devolve on the Kaifengfu to Honanfu railway concern.

Orders for materials, tools and furniture for the construction of the line and for its orderly working, shall be submitted through the chief engineer to the Director General for approval.

Orders as well as contracts for work shall be drawn up, after mutual agreement, by the chief engineer and the representative of the Director General.

Statements of the sums paid for supplies of materials and expenditures of every description settled in Europe shall be sent with all vouchers and explanatory documents to the Imperial Chinese Railway Company every three months.

Every month the chief engineer, in agreement with the Imperial Chinese Railway Company, shall request the bank in which are deposited the loan funds, to pay the amount necessary for the general expenses of the undertaking during the month following, to an agent chosen by the Director General of the Imperial Chinese Railway, and against receipt duly signed by the latter and under the responsibility of the Director General of the Imperial Chinese Railway Company. This agent shall not surrender any of the funds except under the signature of both the chief engineer and the representative of the Director General.

The Compagnie Générale de Chemins de Fer et de Tramways en Chine shall not therefore be obliged to meet any expense for the building out of its own money.

Said Company shall endeavor to finish the work on the line within two years from the date on which the Railway from Hankow to Peking shall be opened to traffic as far as the Yellow River, because materials will then be easily transported.

It is well understood that the Imperial Chinese Railway Company will not pay the expenses of the office in Brussels, except the necessary expenses for the studies, orders, receipt of materials, living of staff; consequently the personal expenses of the directors, allowances (*indemnités*), etc., will continue to be chargeable to the Compagnie Générale de Chemins de Fer et de Tramways en Chine.

Article XX.—The price paid for the above mentioned bonds being exclusively assigned to the building of the railway from Kaifengfu to Honanfu, the Compagnie Générale de Chemins de Fer et de Tramways en Chine, or the bank having received the deposits, would have the right not to give up these funds in case one of the deposits should not have been applied as provided for, and also in case the delegates of the Compagnie Générale de Chemins de Fer et de

Tramways en Chine were not enabled by the Imperial Chinese Railway Company to continue the direction of the construction works.

The balance on hand, if any should exist after the completion of the works, shall be held subject to the order of the Imperial Chinese Railway Company. After the completion of the works and the organization of traffic, if the funds of the issue should still show a (credit) balance, said balance shall be paid in full to the Imperial Chinese Railway Company, who shall remit it to the Chinese Government.

If the loan provided for in the present contract should not be enough to finish the line or to organize traffic, the Compagnie Générale de Chemins de Fer et de Tramways en Chine is authorized by the present (contract) to make a further loan on the same terms as in the present contract without being obliged to make a new contract.

Article XXI.—Within nine months following the date of the signing of the present contract, the Compagnie Générale de Chemins de Fer et de Tramways en Chine shall buy outright from the 50,000 bonds a first lot for 12,500,000 francs at the price of 90%, for the purpose of building the first portion of the line. The balance of the issue, or 12,500,000 francs, for the building of the second section of the line, shall be taken at the same price and in one or two installments by (public) subscription or otherwise. But it remains well understood that the expense of issuing the loan falls on the Compagnie Générale de Chemins de Fer et de Tramways en Chine.

If the Compagnie Générale de Chemins de Fer et de Tramways en Chine should begin simultaneously the building of both sections of the road on either side of the Luhan line, it shall have the right to make but one issue for the whole loan.

Article XXII.—Preliminary studies of the line after the signing of the present contract are at the expense of the Imperial Chinese Railway Company, and are to be provided for out of the loan funds. Said studies of the line shall be provided for from the revenues derived from the loan, and they shall begin on the section running from Kaifengfu to the junction with the Hankow-Peking line. They shall afterwards be made over the other sections. From the Luhan junction to Honanfu will constitute the second section.

The proceeds from the first purchase of bonds shall be applied to the building of the portion of line from Kaifengfu to the Luhan junction.

The preliminary studies shall begin within nine months from the date of signing the present contract.

The Compagnie Générale de Chemins de Fer et de Tramways en Chine shall deposit one million francs to the order of the Imperial Chinese Railway Company. This sum is considered as an advance on the loan for the Railway from Kaifengfu to Honanfu, and is to be specially devoted to expenses for study of the line.

The depository bank shall not surrender this sum except in accordance with the provisions of Article XX of the present contract.

This advance shall produce an annual 6% interest without rate of issue,‡

‡ *I.e.*, on its par value, presumably.

but it shall be refunded with the proceeds of the first sale of 12,500,000 francs, which must be issued within nine months from the signing of the present contract; a portion of the proceeds of this sale will be used to refund the advance first made.

ARTICLE XXIII.—Should the Compagnie Générale de Chemins de Fer et de Tramways en Chine finish satisfactorily the work for the Railway from Kaifengfu to Honanfu, complying strictly with all the provisions of the present Contract, and should the Chinese Government decide to extend the Railway from Honanfu to Singanfu, the Director General of the Imperial Chinese Railway Company agrees to come to an understanding preferably with and to grant an option for the Loan necessary for said undertaking to the Compagnie Générale de Chemins de Fer et de Tramways en Chine, in conformity with the provisions and conditions of the present Contract.

It is clearly understood that if the Chinese Government should be able to raise the capital necessary for the construction of the extension, either from its own resources, or from funds gathered by means of shares subscribed by its own nationals, the Compagnie Générale de Chemins de Fer et de Tramways en Chine would not be entitled to avail itself of this Article.

ARTICLE XXIV.—The present contract shall only be binding on the Compagnie Générale de Chemins de Fer et de Tramways en Chine if it is assumed that, exclusive of what may be furnished and produced in China, and bought at the same prices as the European product delivered in China, the total amount of materials and supplies necessary for the building and operating of the railway from Kaifengfu to Honanfu will be asked of and ordered from the Compagnie Générale de Chemins de Fer et de Tramways en Chine, which will fill these orders under the best possible terms.

The carrying out of this provision of this contract by the Imperial Chinese Railway Company will be proven by the orders for materials for each of the sections of line undertaken.

Orders from the Compagnie Générale de Chemins de Fer et de Tramways en Chine will be free from all duties or from *likin* on importation or in transit across Chinese territory.

If proof of the granting of this franchise is not forthcoming before the end of the month following the date on which the Belgian Government should inform the Compagnie Générale de Chemins de Fer et de Tramways en Chine that it has received notification concerning Article XXVIII, said Company reserves the right not to consider itself bound.

It reserves the same right if extraordinary events should take place, such as a war, or if there were absolute impossibility to secure subscribers for the bonds.

Should on its side the Compagnie Générale de Chemins de Fer et de Tramways en Chine not fulfil within the given delays the obligations it has assumed by the present contract, it shall become annulled. The Imperial Chinese Railway Company would be at liberty to enter into contract with whomsoever it chose, and to give up the services of the chief engineer.

It is expressly agreed that the works and mines under the control of H. E.

Sheng Kung-Pao shall have a preferential right for all orders necessary for the building and operating of the railway which is the object of the present contract. The word preference applies to equality of specifications and prices including transportation, as if the orders had to be filled abroad and delivered in China.

All orders made in China shall be free of duties and of *likin* on Chinese territory.

Article XXV.—In case of disagreement between the Compagnie Générale de Chemins de Fer et de Tramways en Chine or its delegates and the Imperial Chinese Government or the Imperial Chinese Railway Company, such conflicts or disagreements shall be settled by the decision of a member of the Ministry of Foreign Affairs and the Minister of Belgium in China. In case of non-agreement, the third arbitrator shall be the Dean of the Diplomatic Body at Peking.

Article XXVI.—Should the Minister of Belgium request the Chinese Minister of Foreign Affairs, the latter shall be bound to give cognizance of the title (*notifier le titre*) to the Minister of the foreign country mentioned to him as subscribing to the issue of bonds.

Article XXVII.—The present contract is drawn up in triplicate, one copy for the Chinese Government, one for the Imperial Chinese Railway Company and the third for the Compagnie Générale de Chemins de Fer et de Tramways en Chine.

In case of doubt or disagreement, the French text alone shall be authoritative in interpreting the present contract.

The present contract shall be submitted through the proper channel for the Imperial Sanction, and when that shall have been obtained, the Minister of Foreign Affairs shall notify, by official despatch, the Representative of Belgium at Peking, and in case of necessity, the Representative at Peking of the foreign country to whom the title shall be notified.

Article XXVIII.—The Compagnie Générale de Chemins de Fer et de Tramways en Chine has been organized at Brussels the 26th March, 1900, under Belgian law (*régime belge*) and with Belgian capital.

The Imperial Chinese Railway Company only recognizes for the purposes of the present contract the above mentioned contracting Belgian Company, which shall never have the right to transfer the present contract to other nations nor to persons of another nationality than Belgian.

Article XXIX.—The present contract includes the right to build little branch lines from the line from Kaifengfu to Honanfu for the purpose of securing traffic and establishing useful relations. These branch lines shall only be built after agreement with the Director General and the Governor of Honan and in accordance with plans approved by them.

Done at Shanghai, November 12, 1903 (24th day of 9th moon of 29th year of Kuang Hsü).

(Sgd.) Arm. Rouffart.
(Sgd.) Sheng Kung Pao.

(II)—OPERATING CONTRACT.

Between the undersigned:

(1) The Imperial Chinese Railway Company, represented by His Excellency Sheng Kung Pao, Director General, and

(2) The Compagnie Générale de Chemins de Fer et de Tramways en Chine, represented by Mr. A. Rouffart, its delegated Administrator,

It has been agreed as follows:

ARTICLE I.—The Imperial Chinese Railway Company, duly authorized by the Imperial Chinese Government, entrusts the Compagnie Générale de Chemins de Fer et de Tramways en Chine, which will appoint its delegates for the purpose, with the directing, managing and operating of the line from Kaifengfu to Honanfu, for which the Imperial Chinese Railway Company holds the concession.

ARTICLE II.—The Compagnie Générale de Chemins de Fer et de Tramways en Chine will undertake the operation of the line upon completion of the several sections, after their definitive acceptance by the Imperial Chinese Railway Administration; each section having to be completely equipped and supplied in advance with all material necessary for its operation, as well as with supplies, tools and rolling-stock.

The Compagnie Générale de Chemins de Fer et de Tramways en Chine or the delegates it may have appointed in accordance with the provisions of Article I will organize the service, will have the right to engage the staff—over which it will have an absolute right of discharge or dismissal,—will fix their salaries according to a tabulated plan of organization approved in advance by the Director General of the Imperial Chinese Railway Company, will order whatever is necessary for the operation or upkeep of the line, will fix the tariffs within the terms of the contracts for the concession, will receive the revenues of all kinds, and will make the payments for the expenses of operation and management to the Chinese Railway Company. The foregoing steps to be taken in respect to the operation of the line will be submitted in advance to the judgment of the Director General of the Imperial Chinese Railways, who will have the most extensive right of control over the revenues and expenditures, and who will for that purpose appoint delegates, especially an operating manager, a cashier, a chief accountant and a chief interpreter to represent the Imperial Chinese Railway Company with the European engineers, in order to exercise effectively this right of control. The station-masters will be appointed by agreement between the operating manager and the Chinese Director.

The salaries of these delegates will be paid out of operating expenses, and the Chinese Director will sign jointly with the Engineer-in-Chief all documents of account without exception.

If any employee engaged in the operation by the Compagnie Générale de Chemins de Fer et de Tramways en Chine, whatever his nationality, is found guilty of bad conduct, insubordination, ill-treatment of the Chinese, or disrespect towards the Chinese authorities, the Chinese Railway Company need only give

notice of it to the Compagnie Générale de Chemins de Fer et de Tramways en Chine in order that it may immediately discharge the guilty person.

The Chinese staff as deemed necessary for operating will be chosen and appointed by the Chinese Director, who will offer them for approval by the Engineer-in-Chief and place them under his orders.

The acquisition of all new material, and new work of improvement or extension of the line or of the stations, which may be necessary after the opening of each section to traffic, will be entirely at the expense of the operating account. The orders required for the repair and upkeep of the line will so far as possible be given to the factories and mines under the control of H. E. Sheng Kung Pao, which will have for such orders a right of preference over European factories and mines upon the same prices and terms as though the orders had been given in Europe and delivered in China.

ARTICLE III.—In case of war with any nation whatsoever, or of revolution in China, the transportation of troops, munitions and provisions for the Chinese Army will have precedence over all commercial traffic. This transportation will be charged for at a reduction of 50% from the tariff. It will be conducted in accordance with the orders of the Director General of the Chinese Railways. It will moreover be forbidden to transport anything which might be of a character to injure the Chinese Government. In case the Chinese Government or the local authorities should need trains for important purposes, the Engineer-in-Chief would arrange for such trains in cooperation with the Chinese Director delegated by the Director General of the Imperial Chinese Railway Company. Free tickets may be given only by agreement between the Engineer-in-Chief and the Chinese Director.

ARTICLE IV.—From the net profits of operation remaining available after the payment of all operating expenses, the Compagnie Générale de Chemins de Fer et de Tramways en Chine will retain such amounts as are necessary to assure each half-year, at least three months before due-date, the service of the loan contracted by the Chinese Government for the enterprise.

This retention will be made so long as the said loan shall not have been wholly repaid. The proceeds of this retention will be paid over each month into the hands of the Compagnie Générale de Chemins de Fer et de Tramways en Chine or into the hands of the Bank that the latter may have designated, which must turn over a receipt to the Chinese Director, who will notify the Director General of the amounts of these payments.

The bank will make the most favorable conversion into gold of the amounts paid over to it, to be used for the service of the loan; the amount in gold so converted will be communicated to the Director General by the Chinese Director.

Whenever the service of the loan may have been assured by means of the sums thus paid over, 10% of the surplus will be set aside, which will be devoted to the establishment of a reserve fund to make repairs or to rebuild as required in order to assure operation. Such balance as then remains available out of the operating revenues will then be paid over to the Chinese Railway Company. Whenever the loan to which the present Contract relates shall have been repaid

in full according to the conditions stipulated, the Compagnie Générale de Chemins de Fer et de Tramways en Chine or its delegates must hand over the entire line, with all its materials and appurtenances, in good condition and in regular operation, to the Imperial Chinese Railway Company, which will operate it, itself.

ARTICLE V.—The term of the present Operating Contract is fixed at thirty years, beginning with the date of the signature of the present Contract. This term, however, would be prolonged as of course (i.e., *de plein droit*) in the event that the loans should not at that time have been completely amortized.

That prolongation would continue so long as such complete amortization had not been effected. The present Operating Contract would be cancelled from the date of the full repayment of the loan, even before the due period.

ARTICLE VI.—During the whole period of the operation of the line by the Belgian Company, the Imperial Chinese Railway Company grants to it a participation of 20% in the net profits of the railway from Kaifengfu to Honanfu (after deducting the costs of operation, the amounts necessary for the service of interest and amortization of the loan, and the reserve funds) as determined by mutual agreement after each accounting period.

If the Chinese Posts desire to dispatch letters by this line, the Company must prepare a car for the purpose, and all the stations along the line must have offices for the postal service, arranged in conformity with the regulations of the Chinese Posts. The nation to which the Compagnie Générale de Chemins de Fer et de Tramways en Chine belongs may not establish along the line any postal service of its own.

ARTICLE VII.—In case of conflict or difference between the Chinese Government or the Imperial Chinese Railway Company and the Compagnie Générale de Chemins de Fer et de Tramways en Chine, these conflicts or differences will be adjusted as provided in Article XXV of the Loan Contract.

ARTICLE VIII.—If the operating revenues should not be sufficient to cover the costs, the Chinese Railway Company would have to furnish the funds necessary to insure the regular operating service under normal conditions. These supplementary funds must be considered as advances, and so soon as the receipts show an available balance, after the payment of all costs, they should be at once repaid.

ARTICLE IX.—The materials and all supplies that the Compagnie Générale de Chemins de Fer et de Tramways en Chine may need for the operation and for the upkeep and repair of the line will be exempted from all customs and *likin* duties.

ARTICLE X.—The present Contract is drawn up in triplicate, one copy for the Chinese Government, one for the Chinese Railway Company, and the third for the Compagnie Générale de Chemins de Fer et de Tramways en Chine.

In case of doubt or difference, the French text alone will be authoritative for its interpretation.

The present Contract must be submitted through the proper channel for the Imperial sanction, and when that sanction has been obtained, the Minister for Foreign Affairs must give notice thereof by official dispatch to the representative

of Belgium in Peking, and in case of necessity, to those of the foreign countries which may have taken part in the subscription to the bonds.

Done at Shanghai, November 12, 1903, that is, the 24th day of the 6th moon of the 29th year of the Reign of Kuang Hsü.

(Sgd.) Arm. Rouffart. (Sgd.) Sheng Kung Pao.

NUMBER 1904/1.

CHINA.

Customs Regulations for the Port of Kongmoon.—March 25, 1904.*

1.—All vessels trading at Kongmoon are subject to, and will be treated in accordance with, the West River Regulations, 1904, and, where these do not apply, with ordinary Customs Regulations and existing Treaties. Inland-waters steamers will comply with the Inland Waters Steam Navigation Regulations.

2.—For shipment and discharge of cargo, vessels, including inland-waters steamers, must take up the berths in the harbour assigned by the Harbour Master, and may not move therefrom without his permission. The harbour limits of the Port are:—

South-west of Kongmoon town: within a line drawn east and west through the Wên-wu Temple.

In the West River, east of Kongmoon Creek: within a line drawn north-east through Li-yü Hill.

In the West River, west of the Kongmoon Creek: within a line drawn south-west through the Chih-shan Village Jetty.

Steamer Anchorage.—In West River, opposite I.M. Customs, adjoining the mouth of the Kongmoon Creek. Cargo-boats, sampans, etc., are forbidden to approach incoming vessels before they are properly moored.

3.—Cargo-boats must be registered at the Custom House, and their numbers conspicuously painted on them in Chinese and in English.

4.—The landing and shipment of cargo or ballast, and passengers and their luggage, may only take place between 6 A.M. and 6 P.M., and cannot go on either at night or on Sundays and holidays without special permission. Cargo landed, shipped, or transhipped without a Permit is liable to confiscation.

5.—The Manifest must contain an account of the marks, numbers, and contents of every package on board. For exhibiting a false Manifest the master is liable to fine. Goods found on board not specified on the Manifest are liable to confiscation.

* Text as published with the Inspector-General's Circular No. 1235 (*Imperial Maritime Customs: II—Special Series; No. 28*; published in 1905).

See Article 8, Section 12, and Article 10, British Commercial Treaty of 1902 (No. 1902/7, *ante*).

6.—On entry and upon receipt of Consular Report or River Pass, together with the Manifest of the import cargo, accompanied by Tonnage Dues Certificate, and, if from a Treaty Port, Cargo Certificate, and on consignees applying, specifying on their applications in Chinese and English, the nature of the goods, the marks and numbers, weight, value, etc., Permits will be issued authorising the discharge of consignments—

(*a.*) Into registered cargo-boats, which must repair to the Custom House direct for examination, after which Duty Memos. will be issued and, on payment of Duty, the goods will be released; or

(*b.*) Under approved guarantee into godowns or hulks, approved of by the Customs, where they will be examined, after which Duty Memos. will be issued and, on payment of Duty, the goods will be released.

7.—Goods for export must be sent to the Customs Jetty for examination, accompanied by the shipper's Application (giving the required particulars as to the nature of the goods, the marks and numbers, weight and value, etc.) for a Shipping Permit. After examination, Duty Memos. will be issued and, on payment of Duty, Shipment Permits will be issued.

8.—The landing and shipment of cargo having been completed, and all Dues and Duties having been paid, the Customs Clearance will be issued, and the vessel will be entitled to the return of her papers and may then proceed. The Customs will be at liberty to seal the hatches and place Customs officers on board to accompany vessels up and down the River.

9.—Cargo for which a Shipment Permit has been issued, but which cannot be received on board, must be reported and await Customs examination before being relanded.

10.—Munitions of war may not be landed until a Munitions Special Permit from the Customs has been obtained. Vessels arriving at this Port and having on board, as cargo, any explosive or the specially prepared constituents of such, shall anchor east of Li-yü Hill, in the West River, outside of the harbour limits, shall fly a *red* flag, and shall abide by the instructions received from the Customs concerning the discharge of the same.

11.—In the case of Foreign goods from abroad to pay Duty, the importer may produce his *bonâ fide* invoice; if the invoice does not include freight and insurance, 10 per cent. will be added to the invoice value in the case of goods paying *ad valorem* Duty, but the Customs reserve the right not to accept invoices as a statement.

12.—Chartered junks are only available for carrying Foreign-owned cargo from Treaty Port to Treaty Port, and must take out special papers at the Customs in exchange for properly executed and approved Bonds.

13.—Masters of vessels shall not permit ballast or ashes to be thrown overboard.

14.—No buoy may be laid down without the sanction of the Harbour Master and his approval of the moorings by which it is to be held in position. The Harbour Master will be at liberty to moor such vessels at unoccupied buoys as he may see fit.

15.—Steamers on entering the harbour must go slow.

16.—The blowing of steam-whistles or syrens, except for the purpose of signalling in accordance with the Regulations for Preventing Collisions at Sea, or for the purpose of warning vessels of danger, is forbidden.

17.—Masters of vessels are requested to furnish the Harbour Master's Office with any information they may possess relative to any new danger, such as rocks, shoals, etc., or any changes in the channels of the River that they may have discovered.

18.—The Custom House will be open for the transaction of general business from 10 A.M. to 4 P.M., Sundays and holidays excepted. All export Manifests and Applications for cargo to be shipped the same day should be in the office not later than 3 P.M. All communications regarding Customs business should be addressed to the Commissioner of Customs.

The above Regulations are open to revision when and if necessary.

(Signed) F. W. MAZE,
Acting Commissioner.

CUSTOM HOUSE,
KONGMOON, *25th March,* 1904.

NUMBER 1904/2.

GREAT BRITAIN AND CHINA.

Convention respecting the employment of Chinese labour in British colonies and protectorates.—May 13, 1904.*

WHEREAS a Convention between Her Majesty Queen Victoria and His Majesty the Emperor of China was signed at Peking on the 24th October, 1860, by Article V of which His Imperial Majesty the Emperor of China consented to allow Chinese subjects, wishing to take service in British Colonies or other parts beyond the seas, to enter into engagements with British subjects, and to ship themselves and their families on board of British vessels at the open ports of China in conformity with Regulations to be drawn up between the two Governments for the protection of such emigrants:

And whereas the aforesaid Regulations have not hitherto been framed, His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, and His Majesty the Emperor of China have accordingly appointed the following as their respective Plenipotentiaries, that is to say:—

His Majesty the King of the United Kingdom of Great Britain and

* Text as printed in *British Treaty Series* (1904), No. 7; printed also in *British Parliamentary Paper, Africa* (1904), No. 6; *Customs,* Vol. I, p. 643; *Hertslet,* p. 189.

Ireland and of the British Dominions beyond the Seas, Emperor of India, the Most Honourable Henry Charles Keith Petty-Fitzmaurice, Marquess of Lansdowne, His Majesty's Principal Secretary of State for Foreign Affairs; and

His Majesty the Emperor of China, Chang Têh-Yih, Brevet Lieutenant-General of the Chinese Imperial Forces, His Imperial Majesty's Envoy Extraordinary and Minister Plenipotentiary at the Court of His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India;

And the said Plenipotentaries having met and communicated to each other their respective full powers, and found them in good and due form, have agreed upon and concluded the following Articles:—

Article I.—As the Regulations to be framed under the above-mentioned Treaty were intended to be of a general character, it is hereby agreed that on each occasion when indentured emigrants are required for a particular British Colony or Protectorate beyond the seas, His Britannic Majesty's Minister in Peking shall notify the Chinese Government, stating the name of the particular Colony or Protectorate for which the emigrants are required, the name of the Treaty port at which it is intended to embark them, and the terms and conditions on which they are to be engaged; the Chinese Government shall thereupon, without requiring further formalities, immediately instruct the local authorities at the specified Treaty port to take all the steps necessary to facilitate emigration. The notification herein referred to shall only be required once in the case of each Colony or Protectorate, except when emigration under indenture to that Colony or Protectorate from the specified Treaty port has not taken place during the preceding three years.

Article II.—On receipt of the instructions above referred to the Taotai at the port shall at once appoint an officer, to be called the Chinese Inspector, who, together with the British Consular Officer at the port, or his Delegate, shall make known by Proclamation and by means of the native press the text of the Indenture which the emigrant will have to sign, and any particulars of which the Chinese officer considers it essential that the emigrant shall be informed, respecting the country to which the emigrant is to proceed, and respecting its laws.

Article III.—The British Consular Officer at the port, or his Delegate, shall confer with the Chinese Inspector as to the location and installation of the offices and other necessary buildings, hereinafter called the Emigration Agency, which shall be erected or fitted up by the British Government, and at their expense, for the purpose of carrying on the business of the engagement and shipment of the emigrants, and in which the Chinese Inspector and his staff shall have suitable accommodation for carrying on their duties.

Article IV.—1. There shall be posted up in conspicuous places throughout the Emigration Agency, and more especially in that part of it called the Depôt, destined for the reception of intending emigrants, copies of the Indenture to be entered into with the emigrant, drawn up in the Chinese and English languages, together with copies of the special Ordinance, if any, relating to immigration

into the particular Colony or Protectorate for which the emigrants are required.

2. There shall be kept a Register in English and in Chinese, in which the names of intending indentured emigrants shall be inscribed, and in this Register there shall not be inscribed the name of any person who is under 20 years of age, unless he shall have produced proof of his having obtained the consent of his parents or other lawful guardians to emigrate, or, in default of these, of the Magistrate of the district to which he belongs. After signature of the Indenture according to the Chinese manner, the emigrant shall not be permitted to leave the Depôt, previously to his embarkation, without a pass signed by the Chinese Inspector, and countersigned by the British Consular Officer or his Delegate, unless he shall have, through the Chinese Inspector, renounced his agreement and withdrawn his name from the register of emigrants.

3. Before the sailing of the ship each emigrant shall be carefully examined by a qualified Medical Officer nominated by the British Consular Officer or his Delegate. The emigrants shall be paraded before the British Consular Officer or his Delegate and the Chinese Inspector or his Delegate, and questioned with a view to ascertain their perfect understanding of the Indenture.

ARTICLE V.—All ships employed in the conveyance of indentured emigrants from China under this Convention shall engage and embark them only at a Treaty port, and shall comply with the Regulations contained in the Schedule hereto annexed and forming part of the Convention.

ARTICLE VI.—For the better protection of the emigrant, and of any other Chinese subject who may happen to be residing in the Colony or Protectorate to which the emigration is to take place, it shall be competent to the Emperor of China to appoint a Consul or Vice-Consul to watch over their interests and well-being, and such Consul or Vice-Consul shall have all the rights and privileges accorded to the Consuls of other nations.

ARTICLE VII.—Every Indenture entered into under the present Articles shall clearly specify the name of the country for which the labourer is required, the duration of the engagement, and, if renewable, on what terms, the number of hours of labour per working day, the nature of the work, the rate of wages and mode of payment, the rations, clothing, the grant of a free passage out, and, where such is provided for therein, a free passage back to the port of embarkation in China for himself and family, right to free medical attendance and medicines, whether in the Colony or Protectorate or on the voyage from and to the port of embarkation in China, and any other advantages to which the emigrant shall be entitled. The Indenture may also provide that the emigrant shall, if considered necessary by the medical authorities, be vaccinated on his arrival at the Depôt, and, in the event of such vaccination being unsuccessful, revaccinated on board ship.

ARTICLE VIII.—The Indenture shall be signed, or in cases of illiteracy marked, by the emigrant after the Chinese manner, in the presence of the Chinese Inspector or his Delegate and of the British Consular Officer or his Delegate, who shall be responsible to their respective Governments for its provisions having been clearly and fully explained to the emigrant previous to signature. To each emigrant there shall be presented a copy of the Indenture drawn up in

Chinese and English. Such Indenture shall not be considered as definitive or irrevocable until after the embarkation of the emigrant.

ARTICLE IX.—In every British Colony or Protectorate to which indentured Chinese emigrants proceed, an officer or officers shall be appointed, whose duty it shall be to insure that the emigrant shall have free access to the Courts of Justice to obtain the redress for injuries to his person and property which is secured to all persons, irrespective of race, by the local law.

ARTICLE X.—During the sojourn of the emigrant in the Colony or Protectorate in which he is employed, all possible postal facilities shall be afforded to him for communicating with his native country, and for making remittances to his family.

ARTICLE XI.—With regard to the repatriation of the emigrant and his family, whether on the expiration of the Indenture or from any legal cause, or in the event of his having been invalided from sickness or disablement, it is understood that this shall always be to the port of shipment in China, and that in no case shall it take place by any other means than actual conveyance by ship, and payment of money to the returning emigrant in lieu of passage shall not be admissible.

ARTICLE XII.—Nothing in any Indenture framed under these Articles shall constitute on the part of the employer a right to transfer the emigrant to another employer of labour without the emigrant's free consent and the approval of his Consul or Vice-Consul; and should any such transfer or assignment take place, it shall not in any way invalidate any of the rights or privileges of the emigrant under the Indenture.

ARTICLE XIII.—It is agreed that a fee on each indentured emigrant shipped under the terms of this Convention shall be paid to the Chinese Government for expenses of inspection, but no payment of any kind shall be made to the Chinese Inspector or any other official of the Chinese Government at the port of embarkation. The above fee shall be paid into the Customs bank previous to the clearance of the ship, and shall be calculated at the following rate:—3 Mexican dollars per head for any number of emigrants not exceeding 10,000, and two dollars per head for any number in excess thereof, provided they are shipped at the same Treaty port, and that not more than twelve months have elapsed since the date of the last shipment.

Should the port of embarkation have been changed, or a space of more than twelve months have elapsed since the date of the last shipment, inspection charges shall be paid as in the first instance.

ARTICLE XIV.—The English and Chinese text of the present Convention have been carefully compared, but in the event of there being any difference of meaning between them, the sense as expressed in the English text shall be held to be the correct sense.

ARTICLE XV.—The present Convention shall come into force on the date of its signature and remain in force for four years from that date, and after such period of four years it shall be terminable by either of the High Contracting Parties on giving one year's notice.

In witness whereof the Plenipotentiaries have signed the present Convention, and have affixed thereto their seals.

Done at London in four copies, two in English and two in Chinese, this thirteenth day of May of the year 1904.

(L.S.) (Signed) LANSDOWNE.
(L.S.) (Signed) T. Y. CHANG.

SCHEDULE.

Regulations.

SHIPS employed in the transport of indentured emigrants from China under this Convention must be seaworthy, clean, and properly ventilated, and, with regard to the following matters, shall comply with conditions as far as possible equivalent to those in force in British India with reference to the emigration of natives from India:—

Accommodation required on board (*vide* section 57 of "The Indian Emigration Act, 1883").

Sleeping accommodation, consisting of wooden sheathing to the decks or sleeping platforms (*vide* rule regarding "iron decks," as amended the 16th August, 1902, in Schedule "A" to the rules under "The Indian Emigration Act, 1883").

Rules as to space on board (*vide* section 58 of "The Indian Emigration Act, 1883").

Carriage of qualified surgeon, with necessary medical stores.

Storage of drinking water (*vide* rule 113, as amended the 24th February, 1903, under "The Indian Emigration Act, 1883").

Provision of adequate distilling apparatus (*vide* Schedule "C" to the rules under "The Indian Emigration Act, 1883").

The dietary for each indentured emigrant on board ship shall be as follows per day:—

	Not less than
Rice, not less than 1⅓ lb., or flour or bread stuffs	1½ lb.
Fish (dried or salt) or meat (fresh or preserved)	0½ „
Fresh vegetables of suitable kinds	1⅓ „
Salt	1 oz.
Sugar	1½ „
Chinese tea	0⅓ „
Chinese condiments in sufficient qualities [quantities?]	
Water, for drinking and cooking	1 gallon

or such other articles of food as may be substituted for any of the articles enumerated in the foregoing scale as being in the opinion of the doctor on board equivalent thereto.

Exchange of Notes between the Marquess of Lansdowne and Chang Ta-jên, May 13, 1904.

Foreign Office, May 13, 1904.

Sir,

By Article VI of the Convention about to be concluded between Great Britain and China with regard to Chinese subjects leaving the Treaty ports of China under Indenture for service in British Colonies or Protectorates it is provided that:—

"For the better protection of the emigrant and of any other Chinese subject who may happen to be residing in the Colony or Protectorate to which the emigration is to take place, it shall be competent to the Emperor of China to appoint a Consul or Vice-Consul to watch over their interests and well-being, and such Consul or Vice-Consul shall have all the rights and privileges accorded to the Consuls of other nations."

His Majesty's Government consider it specially important that the persons appointed to occupy, for the purpose named, the position of Consul or Vice-Consul should be experienced officers of Chinese nationality, that they should be exclusively in the service of the Emperor of China, and that in each case the name of the person selected should be communicated to His Majesty's Government, and their agreement to the appointment obtained.

I have the honour to inquire whether the Chinese Government are prepared to meet the wishes of His Majesty's Government in the matter. If so, and if you will inform me accordingly, this note and your reply might be attached to the Convention in order to place on formal record the arrangement concluded.

I have, &c.

(Signed) Lansdowne.

Chang Ta-Jên,

&c., &c., &c.

Chinese Legation, May 13, 1904.

My Lord Marquess,

In reply to your Lordship's note of this date, I have the honour to state that the Chinese Government are in entire accord with His Britannic Majesty's Government as to the great importance they attach to the Consuls and Vice-Consuls to be appointed under Article VI of the Convention about to be concluded between the two Governments being men of great experience, and will consider it a duty which they owe to the emigrant to confine the selection of these officers to such as in all respects conform to the requirements specified in the note above referred to, which, together with the present one, it has been mutually agreed shall, in proof of this understanding, be appended to the said Convention.

I have, &c.

(Signed) T. Y. Chang.

The Marquess of Lansdowne, K.G.,

&c., &c., &c.

NUMBER 1904/3.

CHINA.

West River regulations, 1904.—July 30, 1904.*

ARTICLE I.—Former Regulations rescinded.—The Regulations of Trade on the West River hitherto in force are hereby abrogated.

ARTICLE II.—Ports, Stages, or Ports of Call, and Passenger Stations.—The merchant vessels of the Treaty Powers are authorised to trade on the West River at the following four Treaty Ports:—

Canton (directly connected with the West River), Kongmoon, Samshui, and Wuchow.

Steamers are authorised to land and ship goods in accordance with Regulations hereinafter set forth at the following six Stages or Ports of Call:—

Kumchuk, Paktauhau, Shiuhing, Lotinghau, Takhing, and Dosing;

and to land and ship passengers and their luggage at any of the following 10 regular Passenger Stations:

Yungki (in Tailung Channel), Mahning (in Junction Channel), Kaukong, Kulow, Wingon, Howlik, Lukpu, Yuetsing, Lukto, and Fungchuen (in West River).

Passengers luggage must not contain articles subject to Duty, and the presence of dutiable articles will render the whole liable to confiscation.

ARTICLE III.—Arms Certificate.—Vessels proposing to trade on the West River must provide themselves with an Arms Certificate. This Certificate, which is to be made out on a form supplied by the Customs and signed by the captain, must state the number of muskets, guns, swords, etc., and the quantity of ammunition carried for self defence, and be produced for inspection and verification when required.

ARTICLE IV.—Classes of Vessels.—Merchant vessels trading on the West River are to be divided into the following classes:—

A. *Steamers.*—1. *Inland-waters steamers* trading to permitted inland places. 2. *Local river steamers* running from Canton, Kongmoon, or Samshui to Ports up River without leaving Liang Kwang waters. 3. *Foreign-going steamers* from and to Hongkong, Macao, etc., trading for the voyage up and down River.

B. *Small Craft* (*lorchas, papicos, junks, etc.*)

ARTICLE V.—*A.* Steamers.—1. *Inland-waters steamers* are to comply with the Inland Waters Steam Navigation Regulations.

2. *Local river steamers,* which do not leave Liang Kwang waters, but which, running from Canton, Kongmoon, or Samshui, are to trade only at Treaty Ports and Ports of Call, and take passengers to and from the authorised Passenger Stations, are to deposit their Registers with their Consul, or, if consularly unrepre-

* Text as published in the Inspector-General's Circular No. 1235 (*Imperial Maritime Customs; II—Special Series,* No. 28; published in 1905).

See British Commercial Treaty of 1902 (No. 1902/7, *ante*).

sented, with the Customs at Canton, Kongmoon, or Samshui, where the Customs, on receipt of a Consular Application or on deposit of her papers, will issue a Certificate to the steamer, to be called the " River Pass," on which shall be entered the steamer's name, flag, and registered tonnage, the said River Pass to be valid for the year during which issued, on expiry of which it must be either surrendered or renewed at the Port of issue.

3. *Foreign-going steamers* from and to Hongkong, Macao, etc., proceeding to the West River must enter either by (*a*) Motomoon (" Broadway "), (*b*) Wangmoon, or (*c*) *viâ* Canton.

(*a*) If entering by Motomoon they must report at the Malowchow Station (Lappa Customs) and produce for inspection and verification a General Import Manifest of all cargo on board, showing destination. The Customs officials will inspect the vessel on arrival, note the quantity of arms, etc., on board, and issue the Kongmoon Pass, upon receipt of which the vessel will proceed, direct and without anchoring, landing or shipping cargo or passengers, to Kongmoon, and surrender the Pass. If proceeding further up the West River, steamers will deposit their Registers with their Consul, or, if consularly unrepresented, with the Customs. Upon receipt of the Consular Report, or on deposit of her papers, the Customs will issue a Certificate to the steamer, to be called the " Special River Pass," on which shall be entered the steamer's name, flag, and registered tonnage, and without which she may not proceed to any Treaty Port (the original Port of entry excepted), Port of Call, or Passenger Station on the River. On return to Kongmoon, and when all Dues and Duties are either paid or accounted for, the Customs, on surrender of the Special River Pass, will issue a Clearance, which will entitle the vessel to the return of her Register and Kongmoon Pass. The vessel is then free to depart *viâ* the Motomoon (" Broadway ") or *viâ* the Wangmoon, as provided for below, (*b*). Proceeding *viâ* the Motomoon (" Broadway "), the Kongmoon Pass will be surrendered at the Malowchow Station (Lappa Customs), where the General Export Manifest of all cargo on board will be produced for inspection and verification.

(*b.*) If entering by Wangmoon, steamers must report at the Wangmoon Station and comply with the requirements set forth above, (*a*). According to the destination declared the $\frac{\text{Kongmoon}}{\text{Samshui}}$ Pass will then be issued, upon receipt of which the vessel will proceed by the authorised route, direct and without anchoring, landing or shipping cargo or passengers, to the Port indicated on the Pass, where the latter will be surrendered. If proceeding elsewhere on the West River, steamers will deposit their Registers with their Consul, or, if consularly unrepresented, with the Customs. Upon receipt of the Consular Report, or on deposit of her papers, the Customs will issue a Certificate to the steamer, to be called the " Special River Pass," on which shall

be entered the steamer's name, flag, and registered tonnage, and without which she may not proceed to any Treaty Port (the original Port of entry excepted), Port of Call, or Passenger Station on the River. On return to the original Port of entry, and when all Dues and Duties are either paid or accounted for, the Customs, on surrender of the Special River Pass, will issue a Clearance, which will entitle the vessel to the return of her Register and $\frac{\text{Kongmoon}}{\text{Samshui}}$ Pass. The vessel is then free to depart *viâ* the Wangmoon or *viâ* the Motomoon ("Broadway"), as provided for above, (*a*). Proceeding *viâ* the Wangmoon, the $\frac{\text{Kongmoon}}{\text{Samshui}}$ Pass will be surrendered at the Wangmoon Station, where the General Export Manifest of all cargo on board will be produced for inspection and verification.

(*c.*) If entering *viâ* Canton, vessels will proceed by the authorized Bogue route, direct and without anchoring, landing or shipping cargo or passengers, and deposit their Register with Consul or Customs at Canton in order to obtain the Special River Pass, without which they may not proceed to any Treaty Port, Port of Call, or Passenger Station on the West River, and the surrender of which, on return, all Dues and Duties having either been paid or accounted for, will entitle them to Customs Clearance and return of Register.

4. *Shipment and discharge of cargo* by local river steamers and Foreign-going steamers at any other points on the River than the Treaty Ports and Ports of Call enumerated in Article II is prohibited, and any violation of this prohibition will be dealt with in accordance with the Treaty provisions applicable to clandestine trade along the coast.

5. *Local river steamers and Foreign-going steamers* trading at the West River Treaty Ports—Canton, Kongmoon, Samshui, and Wuchow—must report and clear and load and discharge cargo in the same manner as at other Treaty Ports along the coast, and in accordance with the Customs Regulations of the River Ports concerned.

6. *Duty treatment* of merchandise carried by local river steamers and Foreign-going steamers:—

A. *Foreign Trade.—Import Duty* shall be payable as follows: on cargo from abroad for (*a*) a Treaty Port, at destination Treaty Port; (*b*) a Port of Call, at Port of entry from abroad (Kongmoon, Samshui, or Canton). *Export Duty* shall be payable as follows: on cargo for abroad from (*a*) a Treaty Port, at Port of shipment; (*b*) a Port of Call, at Port of clearance for abroad (Kongmoon, Samshui, or Canton).

B. *Domestic Trade.—Export* (*full*) and *Coast Trade* (*half*) *Duties* shall be payable as follows: on cargo from (*a*) Treaty Port to Treaty Port, full at Port of shipment and half at Port of discharge; (*b*) Treaty Port to Port of Call, if another Treaty Port is to be passed *en route,* full and half at Port of shipment, otherwise full only at said Port of shipment; (*c*) Port of Call to Treaty Port, if another Treaty Port has been passed *en route,* full and half at destination

Treaty Port, otherwise full only at said Port; (*d*) Port of Call to Port of Call, if a Treaty Port is passed *en route,* full at said Port in passing.

7. *Tonnage Dues* are payable once every four months at the Treaty Port first touched at after expiry of Certificate.

8. *Dues and Duties* are, in general, payable as at other Treaty Ports, and Re-exports and goods under Transit Certificates entitled to usual Customs treatment. Native goods, if shipped to a Treaty Port and subsequently re-exported to a Foreign Port within 13 months, with no unauthorised change of package and marks, will be entitled to the refund of any Customs Duty paid in excess of one full Export Tariff Duty.

9. *Routes.*—The following are the authorised routes to the West River:—

Foreign-going steamers proceeding from the sea direct must enter either by (*a*) the *Motomoon* ("*Broadway*") route; or by (*b*) the *Wangmoon* route, taking the Kerr Channel † and Junction Channel and passing into the West River at Fist Cliffs. Such steamers may also proceed (*c*) *viâ Canton,* in which case they will be required, together with local river steamers, to take the following route on leaving Canton, viz., Hill Passage, Saiwan Channel, Tailung Channel, and Junction Channel (British Admiralty Chart No. 2,562), and enter the West River at Fist Cliffs. Returning abroad, or to Canton, the same routes are to be adhered to.

10. *Miscellaneous.*—The Customs officials will be at liberty to seal the hatches of vessels entering or trading on the West River, and seals must not be broken before the vessel reaches the next Port or Port of Call at which she wishes to work cargo. Any trading vessel falling in with a revenue cruiser or Customs boat is to produce her papers for inspection, if examination of them is required; and Customs employés may be put on board vessels to search them or accompany them for the purpose of surveillance.

11. *Penalties.*—Vessels taking other than the prescribed routes into or out from the West River, or found in waters between Canton and Kongmoon or the Bogue Passage and Kongmoon anywhere off the said routes, are liable to a fine not exceeding Tls. 500. In the event of any vessel so found, or discovered anywhere on the West River and routes thereto inside Malowchow or Wangmoon Stations, being without proper papers as provided for by the present Regulations, she will be dealt with under the Treaty Articles penalising clandestine trade along the coast.

Foreign-going vessels bound out and failing to surrender the $\frac{\text{Kongmoon}}{\text{Samshui}}$ Pass at $\frac{\text{Malowchow}}{\text{Wangmoon}}$ are liable to a fine not exceeding Tls. 100.

Infringement of River Port Regulations by local river steamers will be punished by the infliction of penalties in force at other Treaty Ports. For a second offence, the River Pass may be cancelled and the steamer refused permission to trade on the West River. Unauthorised opening of sealed hatches or breaking of seals will entail liability to a fine not exceeding Hk. Tls. 500.

† Sailam Channel proposed to be substituted for Kerr Channel.

ARTICLE VI.—*B.* Small Craft (Lorchas, Papicos, Junks, etc.) entitled to trade at Treaty Ports, but not at Ports of Call nor at Passenger Stations on the West River.—(*a*) *Lorchas, etc.,* owned by Foreigners, if provided with Registers and entitled to fly national flags, are required to take out a Special River Pass either through the Consulate or through the Customs direct at Kongmoon, Samshui, or Canton, if proceeding to other River Treaty Ports: they will report, work cargo, pay Duties, and observe all conditions as regards papers, routes, etc., and be subject to the same penalties for the infringement of rules and regulations as Foreign-going steamers on the West River.

(*b*) *Papicos, etc.,* owned by Foreigners, but not provided with the Registers or entitled to fly national flags, are to take out Customs Registers at the Port they belong to, and report, work cargo, and pay Duties in the same way as lorchas. They are subject to the same penalties for the infringement of rules and regulations.

(*c.*) *Chartered Junks.*—Chinese junks chartered by Foreigners must take out special junk papers at the Customs, to be obtained in exchange for Bonds executed at and deposited with the Customs, the condition of the Bond being that cargoes are *bonâ fide* Foreign property and will be landed and pay Duty at a Treaty Port, and the penalty that if the cargo fails to be so landed and pay Duty no chartered junk will thereafter be cleared for the Foreigner in question. Such junks to report, work cargo, observe all conditions, fulfil all requirements, and pay Duties in the same way as lorchas, papicos, etc.

The above Regulations are open to revision when and if necessary.

(Signed) F. W. MAZE,
Acting Commissioner,
Kongmoon.

(Signed) E. V. BRENAN,
Acting Commissioner,
Samshui.

(Signed) R. DE LUCA,
Acting Commissioner,
Canton.

30th July 1904.

NUMBER 1904/4.

GREAT BRITAIN AND PORTUGAL.

Exchange of notes respecting the reciprocal protection of trademarks in China.—August 8, 1904.*

(1).—*Mr. Cartwright to Senhor de Lima.*

YOUR EXCELLENCY, *Lisbon, August* 4, 1904.

UNDER an Order in Council of the 2nd February, 1899,† it is open to a foreigner whose trade-mark has been infringed by a British subject in China to take proceedings against the latter in the British Consular Court, provided—

1. That the consent, in writing, of His Majesty's Minister or Chargé d'Affaires be obtained to the prosecution; but

2. Such consent may be withheld unless His Majesty's Minister or Chargé d'Affaires is satisfied that effectual provision exists for the punishment in Consular or other Courts in China of similar acts committeed by the subjects of the State or Power of which such prosecutor is a subject.

By correspondence with the French, German, and Italian Representatives in London, it has been ascertained that provision exists for the punishment in the Consular Courts of France, Germany, and Italy in China of subjects of those countries, should they infringe British trade-marks, and the necessary information has been given to His Majesty's Representative at Peking, and to the Representatives there of the three countries mentioned, to enable them to carry out the arrangements desired by their Governments for the mutual protection of their trade-marks.

I have the honour to inform your Excellency that, in communicating the above to you, I have been instructed by the Marquess of Lansdowne to inquire whether the Portuguese Government would be disposed to conclude a similar arrangement with his Majesty's Government.

I avail, &c.,

FAIRFAX L. CARTWRIGHT.

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(2).—*Senhor de Lima to Mr. Cartwright.*

(Translation.) *Lisbon, August* 8, 1904.

I am in receipt of the note by which you communicate to me the desire of the Marquess of Lansdowne to know whether the Portuguese Government would be disposed to conclude an arrangement with His Britannic Majesty's Govern-

* Text and translation as printed in *Hertslet*, p. 600.

† For the relevant articles of the Order in Council of February 11, 1907, replacing the provisions of the Order in council here cited, see note to the Anglo-American arrangement concerning trademarks in China (No. 1905/4, *post*).

ment in the sense of assuring mutual protection for Portuguese and British trade-marks in China.

In reply, I have the honour to inform you that the Portuguese Government have no objection in concluding the proposed arrangement in such a manner that, on the date ‡ which may be fixed by exchange of notes, both Governments shall transmit instructions to their Diplomatic Representatives at Peking, for the purpose of bringing into effect, before the Portuguese Consular Courts, offences for infringement by Portuguese subjects of British trade-marks duly registered in Portugal, and, reciprocally, before the British Consular Courts, offences for infringment by British subjects of Portuguese trade-marks, duly registered in the United Kingdom, in conformity with the International Convention of the 20th March, 1883.§

I avail, &c.,

WENCESLAU DE LIMA.

NUMBER 1904/5.

GREAT BRITAIN AND THE NETHERLANDS.

Exchange of notes respecting the reciprocal protection of trademarks in China.—September 7, 1904.*

(1).—*Sir H. Howard to Baron de Lynden.*

M. LE MINISTRE, *The Hague, August* 15, 1904.

Under a British Order in Council of the 2nd of February, 1899,† it is open to a foreigner whose trade-mark has been infringed by a British subject in China to take proceedings against the latter in the British Consular Court, provided—

1. That the consent in writing of the British Minister or Chargé d'Affaires be obtained to the prosecution; but

2. Such consent may be withheld unless the British Minister or Chargé d'Affaires is satisfied that effectual provision exists for the punishment in Consular or other Courts in China of similar acts committed by the subjects of the State or Power of which such prosecutor is a subject.

By correspondence with the French, German, and Italian Representatives at the Court of St. James, it has been ascertained that provision exists for the punishment in the Consular Courts of France, Germany, and Italy in China of subjects of those countries, should they infringe British trade-marks, and the

* Text, and translation from the French text, as printed in *Hertslet*, p. 602.

† For the relevant articles of the Order in Council of February 11, 1907, replacing the provisions of the Order in Council here cited, see note to the Anglo-American arrangement concerning trademarks in China (No. 1905/4, *post*).

‡ The 1st October, 1904, was eventually fixed as the date (*Hertslet*).

§ "Hertslet's Commercial Treaties," Vol. 17, p. 401.

necessary information has been given to His Majesty's Representatives in Peking, and to the Representatives there of the above-mentioned countries to enable them to carry out the arrangements desired by their Governments for the mutual protection of their trade-marks.

In view of these arrangements I am desired by the Marquess of Lansdowne to enquire of your Excellency whether the Netherland Government would be disposed to conclude a similar arrangement with His Majesty's Government.

While expressing the hope that I may receive a favourable reply in this regard, and inclosing copies of the Order in Council of the 2nd February, 1899, as also of the correspondence which took place last year with the Italian Representative in London on the subject, I avail myself, &c.,

HENRY HOWARD.

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(2).—*Baron de Lynden to Sir H. Howard.*

[Translation.]

M. LE MINISTRE, *The Hague, September 7*, 1904.

By your communication of August 15 last your Excellency was so good as to propose to me that we arrive at an understanding in regard to the reciprocal protection of trade-marks in China.

In reply I have the honor to bring to the knowledge of your Excellency the fact that the Netherlands law protects trade-marks (i.e., *marques de fabrique et de commerce*) duly registered in the country, whatever be the nationality of their proprietor,—and that not only when infringements have been committed in the country itself, but also when they have been committed in a country subject to the system of extraterritoriality, such as China.

The British Government being disposed to give similar instructions to its representative in China, I have advised the Netherlands Minister in Peking that, in case a trade-mark belonging to a British subject or protégé, and duly registered in The Netherlands, should be counterfeited by one of its nationals, this infraction of the Netherlands law should be prosecuted before the competent consular tribunal.

Rquesting your Excellency to be so good as to advise me of the action which your Government may have taken in this matter, I avail, etc.

BARON MELVIL DE LYNDEN.

NUMBER 1904/6.

BELGIUM AND GREAT BRITAIN.

Exchange of notes respecting the reciprocal protection of trademarks in China.—September 30, 1904.*

(1).—*Sir C. Phipps to Baron de Favereau.*

M. le Ministre, *Brussels, September* 15, 1904.

I did not fail to communicate to His Majesty's Government your Excellency's note of the 31st ultimo, in which you notified to me the willingness of the Belgian Government to come to an agreement with His Majesty's Government upon the subject of mutual protection of trade-marks in China.

I have now the honour to inform your Excellency, by direction of the Marquess of Lansdowne, that His Majesty's Minister at Peking has been informed of the readiness of the Belgian Government to conclude with His Majesty's Government an arrangement for the mutual protection of British and Belgian trade-marks in China similar to those made by Belgium with other European Powers, and that Sir E. Satow has been requested to issue the necessary instructions to His Majesty's Consular officers in order that protection may be afforded in the British Consular Courts to Belgian trade-marks should they be infringed by British subjects.

I avail, &c.,
Constantine Phipps.

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(2).—*Baron de Favereau to Sir C. Phipps.*

[Translation.]

M. le Ministre, *Brussels, September* 30, 1904.

I have before me the letter that your Excellency was so good as to address to me on September 15 last, on the subject of the reciprocal protection of Belgian and English trademarks in China.

This communication points out that His Britannic Majesty's Government has given the necessary instructions in order that the consular tribunals of Great Britain shall assure legal protection to trademarks, belonging to Belgian subjects (i.e., *ressortissants Belges*), which may have been counterfeited by English nationals (i.e., *nationaux Anglais*).

In acknowledging this communication to your Excellency, I have the honor to advise you that the Government of the King will, on its part, assure the protection, in the Chinese Empire, of English trade-marks (i.e., *marques de fabrique*

* Text, and translation from French text, as printed in *Hertslet*, p. 603.

ou de commerce) regularly registered in Belgium, which may have been counterfeited by Belgians or Belgian protégés.

The Belgian Legation in Peking, and the Belgian consulates, vice consulates and consular agencies in China, are competent to entertain claims presented to them in such cases.

I have taken care to inform our minister in Peking, as well as our consular representatives in China, of the conclusion between Belgium and Great Britain of the agreement embodied in the exchange of communications which has taken place between the British Legation and my department.

I avail, etc.

(For Baron de Favereau)
J. de Trooz,
Minister of the Interior and of Public Instruction.

NUMBER 1904/7.

INTERNATIONAL AND CHINA.

Convention for the exemption of hospital ships in time of war from the payment of all dues and taxes imposed for the benefit of the State.—December 21, 1904.

[This convention does not appear to possess any such particular interest in reference to China as to warrant its inclusion in the present compilation. Translations of the French texts of the convention, and of the Final Act of the Conference, as signed at The Hague on December 21, 1904, are to be found in *Malloy*, p. 2135.]

NUMBER 1905/1.

BELGIUM (La Société des Mines du Luhan) AND CHINA (Chihli Lincheng Mining Company).

Contract concerning the Lincheng mines.—March 22, 1905.*

AGREEMENT made between H. E. Liang Tun Yen, Superintendent of Customs, appointed by H. E. Yuan Shih Kai, Viceroy of Chihli, in his capacity of Director General of the new Chinese Company, owners and concessionaries of all the mines situated within the geological coal field of Lincheng in the subprefectures of Lincheng, Neikiou and Kao-yi, acting on behalf

* For the Peking-Hankow (Luhan) Railway concession in favor of the Société Etudes, see No. 1898/13, *ante*. See Note to this document, *post*, p. 498.

of and in the name of the above named company of the one part, and Mr. Jean Jadot, Engineer-in-Chief, Controller of the Peking-Hankow Railway or the "Société d'Etudes de Chemins de Fer en Chine," Brussels, who are agents acting on behalf of and in the name of the newly to be formed "Chihli Licheng Mining Loan Co." or the "Société des Mines du Luhan" at Brussels of the second part.

Whereby it has been agreed as follows: the said Lincheng Mining Company being hereinafter referred to as the "Chihli Lincheng Mining Company" and the said "Chihli Lincheng Mining Loan Company" or "Société des Mines du Luhan" as the "Luhan."

ARTICLE 1.—In order to develop the working of its mines in the best and most economical way with the help of the Luhan Railway, near to which these mines are located, the Chihli Lincheng Mining Company has decided to contract a loan sufficient to enable all the necessary new plant to be provided.

ARTICLE 2.—The said loan amounting to three million francs gold (about taels 923,000) shall be provided for by the Luhan.

ARTICLE 3.—The said loan and the interest at seven per cent accruing due thereon constitute the first charge on all the properties and assets both present and future of the Chihli Lincheng Mining Company which are warranted free from all other encumbrances.

ARTICLE 4.—The said loan shall be advanced in four equal instalments according as it is wanted, at dates to be mutually agreed on by the Chihli Lincheng Mining Company and the Luhan. The installments shall be paid into a bank to be mutually appointed.

ARTICLE 5.—During the continuance of the said loan, the mines shall be worked jointly by the Chihli Lincheng Company and the Luhan.

The Chihli Lincheng Mining Company shall appoint, by mutual agreement with the Luhan, the principal Chinese officials and in particular the Chinese manager and a Chinese engineer.

The Luhan shall appoint, by mutual agreement with the Chihli Lincheng Mining Company, the foreign staff and in particular, the engineering manager. All projected works and new plant as well as all accounts must be approved by the two managers, who must in everything act in perfect harmony. Every formal document shall be signed by the two managers who shall always act in the name of and on account of the Chihli Lincheng Mining Company.

ARTICLE 6.—(*a*) The value of the assets brought in by the Chihli Lincheng Mining Company, including concessions, lands, pits, buildings, machinery plant, surveying outlay, &c., is estimated at the sum of five hundred thousand taels (Tls. 500,000) this sum of Tls. 500,000 being made up as follows:

1. Four hundred and eighty thousand taels (Tls. 480,000) for the concessions, lands, buildings, pits, machinery, and the whole plant now on the premises.
2. Twenty thousand taels (Tls. 20,000) to refund the Chinese authorities the expense incurred by them in prospecting.

As a consideration for the expense incurred by the Luhan prior to this

agreement, on their detailed examination of the mines, a sum of one hundred and thirty thousand francs (Frs. 130,000) is to be credited to that company.

(*b*) Of the sum of five hundred thousand taels the agreed value of the properties brought in by the Chihli Lincheng Mining Company, a sum of one hundred and fifty thousand taels (Tls. 150,000) shall be taken from the loan and paid in cash as follows:

Fifty thousand taels (Tls. 50,000) immediately after this agreement has been sanctioned by imperial edict, twenty thousand taels (Tls. 20,000) due to the Chinese Government being included in this payment.

Fifty thousand taels (Tls. 50,000) on the taking over by the two directors Chinese and European of all the properties and existing mining plant.

And fifty thousand taels (Tls. 50,000) in two months time after the second payment.

The remainder of the amount of assets brought in by the Chihli Lincheng Mining Company not paid in cash, that is to say, three hundred and fifty thousand taels (Tls. 350,000) shall form part of the share capital and participate in the remuneration specified in Article 7 below mentioned.

Of the sum of one hundred and thirty thousand francs (Frs. 130,000) credited to the Luhan and the value of what they bring into the company, one-half, that is sixty-five thousand francs shall be paid in cash, on the properties and existing plant being taken over and the other half, namely sixty-five thousand francs, shall form part of the share capital and participate in the remuneration specified in Article 7 hereof.

(*c*) As soon as the imperial sanction has been given, the two companies, namely the Chihli Lincheng Mining Company and the Luhan, shall immediately take possession of all the lands, buildings, pits, machinery and plant in existence and the present working shall be continued in the best manner possible.

Article 7.—The annual net profits of the undertaking shall be applied as follows:

(*a*) In payment of the amount necessary to pay interest at the rate of seven per cent. (7%) per annum, to be paid annually, on the gold loan.

(*b*) After the above payment, in providing the amount necessary to pay a dividend at the rate of seven per cent. (7%) per annum, to be paid annually, on the share capital of the undertaking, amounting to three hundred and fifty thousand taels (Tls. 350,000) and sixty-five thousand francs (Frs. 65,000) as stated in Article 6 hereof.

(*c*) Ten per cent. (10%) of the remaining profits shall be paid to the Chihli Lincheng Mining Company to form an amortisation fund.

(*d*) The remaining profits shall be divided equally between the Chihli Lincheng Mining Company and the Luhan.

Article 8.—If, during the period of construction of the new plants, which is estimated at a maximum to be two years, the profits of working with the existing plant are insufficient to provide the interest on the loan and dividends on the share capital, the amount necessary for this purpose shall be taken from the amount of the loan.

It is agreed that the loan shall bear interest only on the instalments as and

when they are paid; and, during the period of construction the share capital shall receive dividends only in proportion to the amounts of the loan paid in at that time.

ARTICLE 9.—The loan is made for a term of thirty years from the date of the imperial sanction being given. During the first fifteen years the interest on the loan shall be paid as stated in Article 7. From the sixteenth year, the amount of the gold loan, *i.e.* three million francs, shall be repaid at the rate of one-fifteenth a year, *i.e.* two hundred thousand francs; the redeemed sums not bearing the seven per cent. interest. During this term (*i.e.*, from the fifteenth to the last year) from the sixteenth to the twentieth year the profits shall be divided by half as specified in paragraph (*d*), Article 7, and from the twenty-first to thirtieth year, only forty per cent. of the total remaining profits shall be due to the Luhan.

At the end of the thirtieth year the total amount of the gold loan shall be fully redeemed and the sum of sixty-five thousand francs, part of the share capital as per Article 6, shall be repaid to the Luhan.

At that term all connections between the Chihli Lincheng Mining Company and the Luhan will cease and this contract shall be void.

ARTICLE 10.—At the end of the fifteenth year the Chihli Lincheng Mining Company shall have the right, provided they give one year's notice, to terminate this agreement on the payment to the Luhan a sum equal to the total amount of the loan, as well as the sum of sixty-five thousand francs (Frs. 65,000) forming part of the share capital, as stated in Article 6, plus a bonus equal to fifteen times the average profits of the five last years of working paid to the Luhan by virtue of paragraph (*d*) of Article 7 hereof. Provided always that this bonus shall in no event exceed nine-tenths of the amount of the gold loan.

On their part, at the end of the term of fifteen years, the Luhan shall have the right, provided they give one year's notice, to terminate this agreement and in such case, the Chihli Lincheng Mining Company shall repay them the amount of the loan plus the sum of sixty-five thousand francs (Frs. 65,000) being part of the share capital, but no bonus shall be payable. If after the fifteenth year neither the Chihli Lincheng Mining Company nor the Luhan wish to sever the combination it shall continue as specified in Article 9.

ARTICLE 11.—It is understood and agreed that the loan herein provided for shall be a first charge upon the properties and assets of the Chihli Lincheng Mining Company only in case such properties and assets should prove insufficient to repay the loan, or the interest thereon, or any part of such loan, no residual liability shall attach to the Chinese Government or authorities, nor the members or shareholders of the said company beyond their interest in the mines themselves.

ARTICLE 12.—During the continuance of the combination between the Chihli Lincheng Mining Company and the Luhan, the Chihli Lincheng Mining Company shall not be entitled to enter into any engagement without the consent of the Luhan; and other things being equal, preference shall be given to the Luhan at the expiration of the fifteenth year to take up any other foreign loan which the Chihli Lincheng Mining Company wish to raise, but this shall not apply to

future arrangements which could be made with Chinese capitalists at the expiration of the fifteenth year in case of Article 10 coming in force.

The Luhan shall not without the consent of the Chihli Lincheng Mining Company, transfer its right or shares in the capital to any other society or person.

ARTICLE 13.—The Luhan Railway undertakes to carry the coal from Lincheng on a preferential tariff which shall not exceed one dollar cent (0.01 dol.) per ton per mile, plus a fixed charge of fifteen dollar cents per ton, for all coal sent by full train loads. If the sterling value of the Mexican dollar falls below two francs, the tariff shall be raised in proportion to the fall in the value of the dollar. The Luhan Railway shall pay for all coal purchased for its own consumption at seventy-five per cent. of the usual selling price of the coal at the mines.

ARTICLE 14.—The royalties to be paid to the Chinese Government and to the local and provincial authorities shall not exceed in the aggregate 5% (five per cent.) on the tonnage extracted from the mines. This tax shall be paid on the basis of the net cost of the coal at the pit mouth being one tael per ton; duty and *likin* shall be the same as paid by the Chinese Engineering and Mining Company Limited, namely eighty-four (84) large cash per ton for *likin* and ten cents taels (Tls. 0.10) per ton for duty. Coal sold to the railways and other Government undertakings shall only pay the government royalty. Besides the *likin* and royalty no other duties shall be payable except the ordinary land tax. It is agreed that, in the event of other coals paying in the Chihli province duties lower than those above mentioned such reduced rates shall be applied to the coal from the Lincheng mines.

ARTICLE 15.—All materials and other things destined for the mines shall pay the Imperial Maritime Customs duty but shall be free of all dues or *likin*.

ARTICLE 16.—H. E. the Viceroy of Chihli gives his protection and support to this mining undertaking; he shall exercise full authority over the association and his orders shall be obeyed and respected as far as they are not contrary to the interests of the undertaking.

ARTICLE 17.—In case any disputes shall arise between the parties hereto, each of them, the Chihli Lincheng Mining Company and the Luhan, shall appoint an arbitrator to settle the difference and in case of disagreement between the arbitrators, an umpire shall be appointed by the arbitrators, whose decisions shall be final.

ARTICLE 18.—This agreement is drawn up in six copies each consisting of a Chinese and English version. The Chinese and English versions have been carefully compared and are acknowledged to agree in every particular, whereof, both shall be treated authoritative. The six copies shall be signed by the representatives of the two contracting companies. They shall be submitted for approval to H. E. the Viceroy who shall affix his seal thereto, after which the agreement shall be presented for imperial sanction.

One set shall be kept in the Viceroy's Yamen.

One set shall be kept in the Customs Taotai's Yamen.

Two sets shall be kept by the Chihli Lincheng Mining Company.

Two sets shall be kept by the Luhan.

Signed and sealed on the twenty-second day of March, One thousand nine hundred and five A.D.

(sd.) pp.pour *J. Jadot* (sd.) Liang Tun Yen.
D. Mamet. (sealed)

Note.

It is understood that during the course of the negotiations for this contract, letters were exchanged under date of February 1, 1905, of which the purport is indicated by the following communication in behalf of the *Société des Mines du Luhan:*

"To His Excellency Customs Taotai Liang, Tientsin.
"Your Excellency,

"I have the honor to acknowledge receipt of your letter of this date confirming our verbal agreement concerning the Lincheng Mining Contract as follows:

"'Referring to our recent conversation, I now beg to confirm our verbal agreement that in case a contract is made between us for the working of the Lincheng mines, as per copy of contract now under negotiations between us, there shall be addressed to the director general of the Chihli Lincheng Mining Company, annually, at the end of every year, a report giving a detailed account of works carried out in, and in connection with the mines during the past year and a project of the works which it is proposed to carry out during the following year. The details given in these reports shall be given with sufficient clearness to show the character of the work done and to be done, and to enable the director general to determine whether or not the mining work is being done to the best interest of the property and the due conservation thereof. Any objection of the director general to proposed work shall receive careful attention from the representatives of the Luhan (*Société des Mines du Luhan*), and at the demand of the director general, the proposed work shall be modified to conform to the usage of the best mines.

"'It is specially agreed that in the working of the mines, due care shall be taken for the proper development and conservation thereof. The permanent preservation of the mines shall be constantly kept in view, and under no circumstances shall a desire for increased output be allowed to prejudice the value of the property.'

"I have now the honor to confirm this agreement and to state that the provisions hereof shall be binding upon the engineer and manager of the Luhan.

"I am,

"Your Excellency's
"Most obedient servant,
"(sd.) D. Mamet."

NUMBER 1905/2.

GREAT BRITAIN AND CHINA.

Convention respecting the junction of the Chinese and Burmese telegraph lines.—May 23, 1905.*

Article I.—The Government of His Majesty the King of the United Kingdom of Great Britain and Ireland, Emperor of India, and the Government

* Text as printed in *Hertslet,* p. 195. Printed also in British *Treaty Series* (1905), No. 22.

This convention is a revision of that of September 6, 1894, which is not included in the present compilation but is printed in the British *Treaty Series* (1895), No. 9, and in *Hertslet,* p. 110.

of His Majesty the Emperor of China with a view to facilitating international telegraphic communication have resolved to revise the existing agreement regarding the exchange of telegraphic correspondence over the lines of the two states on the frontier of Burma and Yünnan.

ARTICLE II.—The junction on the frontier remains as hitherto between the British station at Bhamo and the Chinese station at Tengyueh (Momein), and an intermediate station will continue to be maintained at Manwyne.

ARTICLE III.—The Indian and the Chinese Administrations shall maintain in good condition the line of connection, and shall exchange the correspondence by wire between the two stations named in Article II, or between any other two stations hereafter mutually agreed upon.

Each of the contracting parties shall bear the expense incurred for these purposes on its own territory, and will take care that the boundaries between the territories of the two governments are scrupulously respected.

ARTICLE IV.—The rules laid down in the Service Regulations of the International Telegraph Convention shall be observed with regard to the technical treatment of telegrams transmitted over the line of connection described in Article II.

When the senders of telegrams do not expressly indicate the route by which they wish their telegrams to be forwarded, it is understood that at lower rates all limitrophe correspondence and at equal rates half the limitrophe correspondence shall be forwarded *viâ* the line of connection described in Article II, provided that the alternative routes are in equally good working order.

ARTICLE V.—Each of the contracting parties fixes the charges for transmission of telegrams by its lines up to the frontier of its own territory.

ARTICLE VI.—The following charges per word are declared for correspondence exchanged *viâ* the line of communication described in Article II:—

I. INDIAN TELEGRAPH ADMINISTRATION.

A. TERMINAL CHARGES.

For Telegrams exchanged with places in China.†

		Francs.
1.	From Stations in Burma to the Chinese frontier	0.10
2.	From Stations in India to the Chinese frontier	0.35
3.	From Stations in Ceylon to the Chinese frontier	0.45

For Telegrams exchanged with places beyond China.†

4.†	From Stations in Burma to the Chinese frontier	0.575
5.†	From Stations in India to the Chinese frontier	0.825
6.†	From Stations in Ceylon to the Chinese frontier	0.940

B. TRANSIT CHARGES.

Between the Chinese-Burmese frontier and all other frontiers	0.35

† *Hertslet* (p. 196) notes that these additions were made, by arrangement with the Chinese Government, in 1907.

II. China.

A. TERMINAL CHARGES.

1. For telegrams exchanged with Europe and countries beyond Europe (except America) 3.36
2. For telegrams exchanged with America 4.86
3. For telegrams exchanged between all other countries on the one side and stations on the Yangtze or south of the Yangtze on the other side.... 1.00
4. For telegrams exchanged between all other countries on the one side and stations situated to the north of the Yangtze 1.50
5. (*a*) For telegrams exchanged between Burma, India, and Ceylon on the one side and the province of Yünnan on the other side 0.50
   (*b*) For *bonâ-fide* British and Chinese Government telegrams between Burma, India and Ceylon on the one side and the province of Yünnan on the other side 0.25

B. TRANSIT CHARGES.

1. For telegrams exchanged between Europe and countries beyond Europe (except America) on the one side and all countries beyond China on the other side 3.36
2. For telegrams exchanged between America on the one side and all other countries beyond China on the other side 4.86
3. For all other telegrams between the Burmese-Chinese frontier and—
   (*a*) Shanghai or frontier stations south of the Yangtze 1.25
   (*b*) All other frontiers 1.50

The charges established for telegrams exchanged between China on the one side, and Burma, India, and Ceylon on the other side, are solely for correspondence actually exchanged between the named neighbouring countries, and the Chinese European and American correspondence cannot be re-telegraphed at these rates by private agencies or persons at intermediate stations.

If during the course of operation of this Convention the rates of China or of the Telegraph Companies operating in China be diminished for telegrams exchanged by the whole of China, including Hongkong, with Europe and the countries beyond Europe, China undertakes simultaneously and in the same proportion to lower her present terminal and transit rates for such telegrams on their transmission along the Burma-Yünnan line.

Article VII.—The checking of the amount of correspondence exchanged *viâ* the line of connection shall take place daily by wire between the stations named in Article II.

The settlement of accounts shall take place at the end of each month and the resulting balance shall be paid one month after the end of the month in account to the Indian Telegraph Administration at Calcutta or to the Chinese Telegraph Administration at Shanghai.

The month shall be reckoned according to the European calendar. Tele-

grams referring to the settlement of accounts shall be considered as service telegrams and transmitted free of charge.

ARTICLE VIII.—The collection of the charges at all the stations of the Chinese Telegraph Administration, according to the rates fixed in Article VI of the present Convention in gold francs, as well as the liquidation of the mutual accounts, shall be made in Mexican dollars according to the actual rate of exchange between this coin and the franc.

This rate of exchange shall be agreed upon between the Telegraph Administrations of the contracting Governments during the month preceding each quarter on the basis of the average rate of exchange during the three months preceding that during which the rate is fixed.

As regards out payments to Telegraph Administrations beyond China and India the Chinese and Indian Telegraph Administrations will communicate to each other their amount and this amount the two Administrations will be at liberty to collect and settle at such rates as may protect them from loss.

ARTICLE IX.—The present Convention shall come into force on the first day of June, 1905, and shall, unless otherwise mutually agreed upon, remain in force for ten years and thereafter until twelve months after one of the contracting parties shall have given notice of its intention to modify or to abrogate it.

In witness whereof the Undersigned duly authorized to this effect have signed the present Convention.

Done at Peking in the English language and in the Chinese language. Three expeditions duly compared and found to be in agreement have been signed in each of these languages on the 23rd day of the month of May, 1905, corresponding with the 20th day of the 4th moon of the thirty-first year of the reign of Kuang Hsü.

(L.S.) ERNEST SATOW [Signature and Seal of the Chinese Plenipotentiary]

NUMBER 1905/3.

INTERNATIONAL AND CHINA.

Convention for the creation of an international institute of agriculture.—June 7, 1905.

[The text of this convention is not printed here, as it does not appear to possess any such particular interest in reference to China as to warrant its inclusion. A translation from the French text of the convention as concluded at Rome, June 7, 1905, is printed in *Malloy,* p. 2140.]

NUMBER 1905/4.

GREAT BRITAIN AND THE UNITED STATES.

Exchange of notes in regard to the reciprocal protection of trade-marks in China.—June 28, 1905.*

BRITISH EMBASSY,
Lenox, Mass., August 16, 1904.

SIR: Under an Order in Council of the 2nd February, 1899,† it is open to a foreigner whose trade-mark has been infringed by a British subject in China to take proceedings against the latter in the British Consular Court, provided—

(1) That the consent in writing of His Majesty's Minister or Chargé d'Affaires be obtained to the prosecution; but

(2) Such consent may be withheld unless His Majesty's Minister or Chargé d'Affaires is satisfied that effectual provision exists for the punishment in Consular or other Courts in China of similar acts committed by the subjects of the State or Power of which such prosecutor is a subject.

By correspondence with the French, German and Italian representatives in London, it has been ascertained that provision exists for the punishment in the Consular Courts of France, Germany, and Italy in China of citizens or subjects of those countries should they infringe British trade-marks, and the necessary information has been given to His Majesty's Representative in Peking and to the Representatives there of the three countries mentioned to enable them to carry out the arrangements desired by their Governments for the mutual protection of their trade-marks.

I am instructed by His Majesty's Principal Secretary of State for Foreign Affairs to enquire whether the Government of the United States would be disposed to conclude a similar arrangement with His Majesty's Government.

I have the honour to be, with the highest consideration, sir, your most obedient, humble Servant,

(Signed) H. M. DURAND.

The Honourable JOHN HAY,
Secretary of State, etc., etc., etc.

DEPARTMENT OF STATE,
Washington, September 23, 1904.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of the 16th ultimo inquiring whether this Government would be disposed to conclude with that of Great Britain an agreement providing for the punishment

* Text as printed in *U. S. Treaty Series* (No Number). Printed also in *Hertslet*, p. 604; *Malloy*, p. 800.

† See Note to this document, *post*, p. 505.

in the consular courts of the United States of American citizens infringing British trade-marks in China and for the punishment in the Consular courts of Great Britain of British subjects infringing American trade-marks in China.

The Government of the United States is of the opinion that some arrangement of this sort would be advantageous to its citizens doing business in China, and is therefore willing to enter into such an agreement with regard to China as it already has with your Government for the reciprocal protection of trade-marks in Morocco. Under that agreement the American consular courts in Morocco protect British subjects against the infringement by American citizens in Morocco of such of their trade-marks as have been duly registered in the United States, and the British consular courts afford like protection to American citizens against the infringement by British subjects of such of their trade-marks as have been duly registered in Great Britain.

If this is satisfactory to your Government, the proposed agreement could be effected by an exchange of notes as in the case of Morocco.

I have the honor to be, with highest consideration, your excellency's most obedient servant,

FRANCIS B. LOOMIS,
Acting Secretary.

His Excellency the Right Honorable
Sir H. M. DURAND, G.C.M.G., K.C.S.I., K.C.I.E.,
etc., etc., etc.

BRITISH EMBASSY,
Washington, April 10, 1905.

SIR, I communicated to His Majesty's Secretary of State for Foreign Affairs your note of September 23, 1904 relative to the proposed Agreement between His Majesty's Government and the United States Government for the mutual protection of British and American Trade Marks in China.

I am now in receipt of a despatch from Lord Lansdowne stating that His Majesty's Government agree in the proposal put forward in that note that an arrangement should be come to between the two Governments with regard to China, such as already exists between them for the reciprocal protection of Trade Marks in Morocco.

I am directed to inform you of the concurrence of His Majesty's Government in the proposal, and to add that the necessary instructions on the subject will be sent to His Majesty's Minister at Peking.

I have the honour to be, with high consideration, sir, your most obedient, humble servant,

H. M. DURAND.

The Honourable FRANCIS B. LOOMIS,
Acting Secretary of State, etc., etc., etc.

DEPARTMENT OF STATE,
Washington, April 17, 1905.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of the 10th instant informing me of the concurrence of his Majesty's Government in the proposal made by this Department's note of September 23, 1904, that the agreement between the Government of the United States and that of His Britannic Majesty for the mutual protection of American and British trade-marks in China, be effected by an exchange of notes, as was done in the case of the reciprocal protection of trade-marks in Morocco, and that the necessary instructions on the subject would be sent to His Majesty's Minister at Peking.

In accordance with the understanding thus reached, instructions have this day been addressed to the American Minister at Peking directing him to effect the exchange of notes with His Majesty's Minister there.

I have the honor to be, with the highest consideration, your excellency's most obedient servant (Signed) FRANCIS B. LOOMIS
Acting Secretary.

His Excellency the Right Honorable
Sir H. M. DURAND, G.C.M.G., K.C.S.I., K.C.I.E.,
etc., etc., etc.

AMERICAN LEGATION,
Peking, China, June 28, 1905.

MR. MINISTER AND DEAR COLLEAGUE: The Acting Secretary of State of the United States has informed me in an instruction dated April 17, 1905, that you have been authorized by your Government to enter into a reciprocal agreement with me for the mutual protection of trade-marks registered in the United States and Great Britain against infringement in China by the citizens or subjects of our respective nations, and he has given me authority to effect with you by an exchange of notes an agreement for the reciprocal protection of American and British trade-marks in China.

In pursuance of the general agreement reached between our respective governments on the subject, it affords me much satisfaction to agree on behalf of the government of the United States, that henceforth trade-marks of British subjects having been duly registered in the United States of America, will be protected against infringement by such persons as come under the jurisdiction of the United States Consular Courts in China, in which effectual provision exists for the punishment of such infringements by American citizens.

I have the honor to be, my dear colleague, your obedient servant,
(sgd.) W. W. ROCKHILL.

PEKING, *June 28, 1905.*

MR. MINISTER AND DEAR COLLEAGUE: I have the honour to acknowledge the receipt of your letter of this date, informing me that you have been authorized

by your Government to effect with me by an exchange of notes an agreement for the reciprocal protection of American and British trademarks.

I beg to thank you for this communication and to assure that it affords me much satisfaction to enter into this reciprocal agreement, and henceforth protection will be afforded in China by His Britannic Majesty's Supreme Court for China and Corea and the Provincial Courts to trade-marks of citizens of the United States which have been duly registered in Great Britain in conformity with "The Patents, Designs, and Trademarks Acts, 1883 to 1888."

At the same time it appears necessary to mention that the consent in writing of His Majesty's Minister or Charge d'Affaires ‡ must be obtained on each occasion, which consent will be given as a matter of course in consequence of the assurance contained in your Note under reply that effectual provision exists for the punishment in the United States Consular Courts in China of infringement, by such persons as come under the jurisdiction of those Courts, of the trade-marks of British subjects which shall have been duly registered in the United States of America.

I have the honour to be, sir, your obedient servant,

(Sgd) ERNEST SATOW.

His Excellency, the Honourable W. W. ROCKHILL,

etc., etc., etc.

Note.

The Order in Council above cited has been repealed: the relevant provisions of law are embodied in the Order in Council of February 11, 1907 (amending the China and Corea Order in Council of 1904), Articles 3 and 4 of which are to the following effect:

British Order in Council.—February 11, 1907.

"ARTICLE 3.—. . . . . Any Act which, if done in the United Kingdom, or in a British Possession, would be an offence against any of the following Statutes of the Imperial Parliament or Orders in Council, that is to say:—

"(a) 'The Merchandise Marks Act, 1887';

"(b) 'The Patents, Designs, and Trade Marks Acts, 1883 to 1902';

"(c) 'The Trade Marks Act, 1905';

"(d) Any Statute amending or substituted for any of the above-mentioned Statutes;

"(e) Any Act, Statute, or Order in Council for the time being relating to copyright, or to inventions, designs, or trade-marks, of which a copy is kept exhibited in the public offices of the Consulates at Shanghai and Seoul, and is there open for inspection by any person at all reasonable times; shall, if done by a British subject in China or Corea, be punishable as a grave offence against the Principal Order, whether such act is done in relation to any property or right of a British subject, or of a foreigner or native, or otherwise howsoever.

"Provided:—

"(1) That no person shall be punished under this Order for an act which would be an offence against any Act, Statute, or Order in Council, the exhibition of which is required by paragraph (e) above, unless such exhibition had commenced not less than one month before the act took place, or unless the person offending is proved to have had express notice of such Act, Statute, or Order in Council.

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‡ It would appear that by Articles 3 and 4 of the Order in Council of February 11, 1907 (quoted above), this consent is no longer requisite.

"(2) That a prosecution by or on behalf of a prosecutor who is not a British subject shall not be entertained, unless either (a) an arrangement is in force between His Majesty's Government and the Government of the State or Power to which the prosecutor belongs, or (b) the Court is satisfied that effectual provision exists, for the punishment in Consular or other Courts in China or Corea of similar acts committed by the subjects of such State or Power in relation to or affecting the interests of British subjects. Where such an arrangement is in force the Minister may issue a notification to that effect, and the Court shall take judicial notice thereof.

"ARTICLE 4.—No action shall be brought for the protection of any copyright, trade-mark, patent, or design by any person who is not a British subject, unless either (a) an arrangement is in force between His Majesty's Government and the Government of the State or Power to which the plaintiff belongs, or (b) the Court is satisfied that effectual provision exists, for the protection in Consular or other Courts in China or Corea of the rights and interests of British subjects in copyrights, trade-marks, patents, and designs infringed by the subjects of such State or Power.

"Where such an arrangement is in force the Minister may issue a notification to that effect, and the Court shall take judicial notice thereof." (*Hertslet*, p. 1097.)

NUMBER 1905/5.

GREAT BRITAIN (Pekin Syndicate, Limited) AND CHINA.

Loan agreement, and working agreement, for the Taokow-Chinghua Railway.—July 3, 1905.*

(I.)—LOAN AGREEMENT

Agreement for the construction of a railway from Taokow to Chinghua, in the Province of Honan, made between H. E. Sheng Hsuan-Huai, Director-General of Railways, being thereto specially authorized by the Chinese Government, and George Jamieson, Esq., C. M. G., Agent General of the Pekin Syndicate Limited, also being fully authorized by the said syndicate:

1.—On the 21st May 1898 (Kwanghsu 24th year 4th Moon 2nd day) the Shansi Bureau of Trade signed an Agreement with the Pekin Syndicate for working coal and iron in the five following places, namely, Yu Hsien, Pingting-Chow, Luanfu, Tsechowfu and Pingyangfu in the province of Shansi † and on the 21st June 1898 (Kwanghsu 24th year 5th Moon 3rd day) the Yu-Feng Company signed a mining Agreement with said Syndicate for mining in Honan in the neighborhood of Huai Ching and north of the Yellow River.‡ These Agreements were both ratified by the Tsungli Yamen, in pursuance of an Imperial Decree dated 17th May 1898 (Kwanghsu 24th year intercalary 3rd Moon 27th day). In Article 17 of said Agreements it was stated that the Pekin Syndicate on notifying the Governor of the province should be permitted to build a railway to connect the mines with a main line or with water navigation. In June 1902 the Pekin Syndicate began to open coal mines in Siu Wu Hsien of Honan prov-

* Texts as printed in *Wang*, pp. 325, 345. Printed also in *F. E. Review*, vol. 5, pp. 135, 137, and *Kent*, pp. 235, 240.

† Annexed to No. 1908/2, *post*.

‡ No. 1898/12, *ante*.

ince and at the same time gave notice to the Governor and obtained permission to build a railway from the said mines to Taokow a port on the Wei River.

The British Minister has now applied that the said railway be put under the General Administration of the Imperial Chinese Railway Company and the matter having been arranged in consultation with the Wai Wu Pu, this Agreement has been discussed and settled between the Director-General of the said Imperial Chinese Railway Administration and the said Syndicate.

The line from Taokow to Tsechow is divided into two sections the first from Taokow to the neighborhood of Chinghua Chen a distance of 90½ miles the second section is from Chinghua Chen to the neighborhood of Tsechow in Shansi a distance of 38 miles more or less.

The construction of the first section has been undertaken by the Pekin Syndicate and is now approaching completion. The present Agreement deals specially with the first section from Taokow to Chinghua Chen. As regards the second section it is agreed that hereafter when the Pekin Syndicate has fixed a date for opening mines in the neighborhood of Tsechow a supplementary Agreement will be drawn up between the Director-General and the Pekin Syndicate to provide funds for construction, etc., of this section on terms in conformity with those of the present Agreement for the Taokow to Chinghua line and on basis of the Russian Cheng-Tai Railway Agreement, said terms to be settled at their discretion. The cost of construction of the line from Taokow to Chinghua Chen including rolling stock and monies expended by the Syndicate as estimated by the Chinese Engineer after verification of the proper accounts is £614,600. But in order to provide a liberal sum to meet the expenses of working the line until it is fully developed and the interest on the loan the Director-General has fixed the amount of the loan at £700,000 in 7000 bonds of £100 each. This loan is to bear interest at 5 per cent per annum, and to be called the Chinese Imperial Government Honan Railway 5 per cent (gold) loan of 1905.

2.—Out of the above amount of £700,000 there will be issued to the Syndicate 6829 bonds of £100 each which the Syndicate takes firm at the price of 90 per cent of face value equivalent to £614,600 cash in order to refund the above amount of capital. This will be done on the day when the line is handed over to China and interest on the bonds will accrue from date of issue.

At the same time the Syndicate will make up and present an account with vouchers of all initial expenditure not already included in construction account and of the sums provided by them from time to time for the ordinary working of the line from the date of opening to traffic to the time of handing over and request the General Administration to examine and settle it. Any loss on working account after deducting earnings will be borne half and half by each. To the amount so found due will be added interest on capital from 1st January 1905 to the date of handing over and the total of these two items will be refunded to the Syndicate by the further issue of bonds out of the 171 surplus bonds in hand for the required amount reckoned at 90 per cent of face value. If any bonds still remain over they will be retained by the Imperial Chinese Railway Administration for future use. If after the line is taken over the earnings of the line are insufficient to meet the payment for interest and refund of capital

at due date a further loan may be obtained from the Syndicate.§ These bonds the form of which is attached to this contract shall be signed in the name of the Chinese Government by the Chinese Minister in London.

The interest coupons will be paid at their face value in gold in London on 1st of July and the 1st of January of each year. Coupons falling due and paid will be collected in numerical order by the Syndicate at its cost and handed over to the Chinese Minister in London.

3.—The loan shall be redeemed in twenty years dating from the tenth year of issue by annual drawings which shall be held in London at the office of the Pekin Syndicate in conformity with the schedule hereto annexed.

The drawings will be held on the 2nd Tuesday of January of each year. The first of such drawings shall be held in the year 1916. The number of drawn bonds at each drawing will be published in four daily newspapers at the cost of the Syndicate.

4.—Drawn bonds shall be paid in gold at their face value at the date when the next interest falls due. Bonds presented for payment must be surrendered along with all the interest coupons not yet due. In case of shortage the sum of the missing coupons shall be deducted from the capital repayable. Interest on the bonds will cease on the date when the latter are repayable. Repaid bonds will be collected by the Pekin Syndicate at its cost and handed over to the Chinese Minister in London.

5.—The Chinese Government shall not be at liberty before the year 1916 to augment the amount of the annual instalments for redemption nor to repay the whole amount of the loan nor to convert the loan. After this date the Chinese Government shall be at liberty at any time to repay the whole amount of the loan, provided however that until the expiry of the Syndicate's mining concessions the rates then in force for the conveyance of minerals shall not be arbitrarily increased to the detriment of the Syndicate's business. On the other hand the Syndicate after having settled an equitable tariff with the General Administration based on the practice on other lines shall not make pretexts to lower the rates to the detriment of the fund available for payment of principal and interest.

6.—Interest coupons and drawn bonds shall be repayable in gold in London at the office of the Pekin Syndicate or of such bank as the Syndicate may appoint for that purpose.

7.—Payment of interest and repayment of the bonds forming this loan are guaranteed upon the general revenue of the Chinese Government. Further by consent of the Chinese Government the Imperial Chinese Railway Administration hereby declares that the net earnings of the said section of railway after payment of ordinary working expenses are specially reserved for payment of interest and repayment of the said bonds, as is set out in the Working Agreement made between the said Imperial Chinese Railway Administration and the Pekin Syndicate, and which working Agreement is to be taken as one with this Contract. This reserve is exclusively for the purposes above set forth and is not divertible until the final extinction of the bonds of this loan.

8.—The Imperial Chinese Railway Administration after having taken note

§ See Note 1 to this document, *post*, p. 515.

of the net receipts authorises the Pekin Syndicate to convert the amount into gold which shall be done on the most favorable terms in the interest of the Chinese Government and the Imperial Chinese Railway Administration in order to assure the service of the loan at the next half-yearly period of payment. The remittances to the head office of the Pekin Syndicate in London shall continue until the sum necessary for the whole service of the loan at the next half-yearly payment has been realised in gold and so that the service of the loan is assured three months at least before the half-yearly payment falls due.

The bank in which such sums are deposited will allow the best interest obtainable for the benefit of the Imperial Chinese Railway Administration. The account in which said sums stand will be debited twenty days in advance with all the payments falling due at any half-yearly period as provided for in this Contract whether for interest repayment of capital cost of transport or commission.

9.—In order to assure more fully the guarantee now given for the loan, the Imperial Chinese Railway Administration creates in favor of the bonds a first mortgage over the said section of railway line its permanent way rolling-stock and earnings. This special hypothecation is made to and accepted by the Pekin Syndicate for the benefit of the bondholders.

In case the Imperial Chinese Railway Administration shall fail to carry out the engagements entered into by this Contract the Pekin Syndicate can exercise in respect to the said railway and property all the rights and powers which they are entitled to exercise resulting from this special hypothecation.

10.—The foregoing stipulations do not militate against the responsibility of the Chinese Government in regard to this loan as specified in Article 7. The Chinese Government will devise means to provide the amount in gold necessary to supply the deficiency in case the sums accruing from the net earnings of the said section of railway and paid over by the Chinese Railway Administration are insufficient, after conversion into gold, to provide at least three months ahead for the payment falling due at the next half-yearly period.

In such case the Chinese Government will on demand place at the disposal of the Pekin Syndicate fourteen days in advance of the due date, either in gold or value in some other form sufficient to produce in gold, the sum which the Syndicate may have notified as being necessary to meet the service of the loan.

11.—From the monies thus received from the Imperial Chinese Railway Administration or from the monies paid over by the Chinese Government the Pekin Syndicate shall duly set aside beforehand the sums necessary for the next service of the loan on the basis of the requirements of the last preceding half-year.

12.—The Chinese Government will pay to the Pekin Syndicate or to the bank charged with the service of the loan a commission of one-fourth of 1 per cent. on the amount of interest coupons paid that is £25 on each £10,000 and the like commission on all the bonds drawn for payment or repaid in anticipation of the due date. The amount of this commission will be taken from surplus earnings of the railway if there are any, and in case these are insufficient it will then be paid by the Chinese Government.

13.—The Chinese Government binds itself to respect and cause to be respected the privileges attaching to the bonds as stipulated for in the present convention and to maintain the bonds themselves the interest coupons and operations incident to the service of the loan free from every tax and impost of whatsoever nature.

14.—Coupons not presented for payment within five years from the date when they fall due will be forfeited for the benefit of the Chinese Government. In the case of drawn bonds the term within which payment may be claimed is thirty years. In the case of a deceased bondholder the right will pass to his heirs executors etc. in conformity with the law of his own nationality. Payment of the coupons and repayment of bonds will be made whether in time of war or peace and irrespective of whether the holder belongs to a hostile or friendly State.

If bonds are lost stolen or destroyed the Chinese Government upon satisfactory proof of the facts of the loss and the title of the claimant will authorise the Pekin Syndicate to issue fresh bonds to replace those lost, at the expense of the Syndicate.

15.—The Chinese Government through its Representative in London will take the necessary steps and furnish the necessary documents so as to enable the bonds to be officially quoted on the London Stock Exchange.

16.—The price of all land taken up for the railway having been included in the loan, the Syndicate will in the first place hand over the title-deeds to the Imperial Chinese Railway Administration so that a list may be made which after being stamped by the Magistrates of the several districts concerned, will be retained for record. The Railway Administration will then return the deeds to the Syndicate for custody, having first impressed on each a stamp indicating that they are not to be sold pledged or mortgaged. When the term has expired or when the loan is fully repaid, the Syndicate will thereupon hand over to the Railway Administration all the original title-deeds to be held by them as owners of the property. During the continuance of the term the Syndicate shall not assign the deeds to others whether by way of sale, mortgage or pledge.

17.—This Agreement and the rights under it being made with the Pekin Syndicate which is of British nationality, the said Syndicate besides conforming as hereby required, with the several articles of the Agreement shall not either openly or secretly alienate the said rights to persons of another nationality and shall not substitute persons of another nationality in the management of the railway affairs. A breach of this stipulation will entitle the Imperial Chinese Railway Administration to take the management out of the hands of the Syndicate and entrust it to another company, and in that case the Syndicate shall have no claim for compensation.

The foregoing places no restriction on the holding of shares in the Pekin Syndicate by persons of another nationality nor on the holding of bonds of this loan, both of which may be freely bought and sold on the market at the convenience of the holders.

18.—In the accounts of this section there has been included an item for preliminary survey expenses, as also the cost of partial surveys of the second

section which have already been made by the Syndicate, the result of which will be submitted to the Director-General.

19.—All plant and materials necessary for the repair and working of the line will be purchased by the Syndicate as agents, but in placing such orders the Syndicate will do their best to get the most favorable terms. A list of articles required shall be submitted to the Director-General, for approval, before the order is given.

It is understood that articles which China herself can manufacture, if quality and price are the same are not to be ordered from abroad. The workshops and mines controlled by the Director-General Sheng ought more especially to have the preference in supply of such articles provided that in quality and price the articles are equivalent to what can be imported from abroad. By price is meant the cost in the foreign country plus freight and insurance. All materials imported from abroad shall be exempt from customs duty and from *likin* in transit to the interior.

20.—In case of differences of opinion arising between the Pekin Syndicate and the Chinese Government or the Imperial Chinese Railway Administration the matter in dispute shall be discussed and settled between a member of the Wai Wu Pu and the British Minister. If these cannot agree the Wai Wu Pu and the British Minister will appoint an Arbitrator whose decision will be final.

21.—This Agreement is executed in duplicate, one copy to be kept by the Imperial Chinese Railway Administration and the other by the Pekin Syndicate. In case of doubt or ambiguity of meaning between the two texts the English version shall be deemed the standard. This contract shall be submitted to the Throne by the proper authority who will request ratification. After ratification the Wai Wu Pu will officially communicate the fact to the British Minister at Peking for record and so that the Syndicate may conform to the articles hereby agreed upon.

All the above must be done within one month from date of signature.

Signed and sealed at Peking the 3rd July 1905.

(Signed) G. JAMIESON,
Agent-General, Pekin Syndicate Limited.
(Sgd.) SHENG HSÜAN-HUAI.

SCHEDULE OF AMORTISATION OF BONDS

Years	Bonds outstanding	Bonds drawn	Interest	Amount repaid	Total
1916	8,000	242	40,000	24,200	64,200
1917	7,758	254	38,790	25,400	64,190
1918	7,504	267	37,520	26,700	64,220
1919	7,237	280	36,185	28,000	64,185
1920	6,957	299	34,785	29,300	64,085
1921	6,664	308	33,320	30,800	64,120
1922	6,356	324	31,780	32,400	64,180
1923	6,032	341	30,160	34,100	64,260
1924	5,691	358	28,455	35,800	64,255
1925	5,333	376	26,665	37,600	64,265
1926	4,957	395	24,785	39,500	64,285
1927	4,562	414	22,810	41,400	64,210
1928	4,148	434	20,740	43,400	64,140
1929	3,714	456	18,570	45,600	64,170
1930	3,258	479	16,290	47,900	64,190
1931	2,779	503	13,895	50,300	64,195
1932	2,276	528	11,380	52,800	64,180
1933	1,748	554	8,740	55,400	64,140
1934	1,194	583	5,970	58,300	64,270
1935	611	611	3,055	61,100	64,155

(II.)—Working Agreement.

Working agreement between H. E. Sheng Director-General of Railways being thereto specially authorized by the Chinese Government and G. Jamieson, C. M. G., Agent-General of the Pekin Syndicate Limited.

1.—The Imperial Chinese Railway Administration under the authority of the Imperial Government authorises the Pekin Syndicate, which will appoint a General Manager for the purpose, to manage, administer, and work the Taokow-Chinghua section of railway for profit on behalf of the said Railway Administration. Notice of the appointment of the General Manager shall be communicated beforehand to the Director-General for his information, and confirmation.

2.—As soon as this section of the line is completed the Pekin Syndicate will report to the Director-General, and after being definitely taken over by

him the Pekin Syndicate will take charge of it for working. The section is to be completely provided beforehand with all the rolling-stock necessary for working as also with a supply of tools furniture and funds for working expenses. The Pekin Syndicate or its delegate in conformity with the stipulation in Article 1 will organize the service. It will have authority to engage or dismiss officials and servants, and as to their salaries, a scale thereof will be drawn up beforehand for submission to the Director-General, and subsequent alterations will also be submitted for his approval. The Syndicate shall also purchase all articles necessary for the maintenance and repair of the line, shall fix rates for goods and passengers in accordance with the railway regulations on other lines, shall receive all the earnings and pay all the working expenses and expenses of the Imperial Chinese Railway Administration relative to this line of railway. All the above working details must be submitted beforehand by the Pekin Syndicate or its delegate to the Director-General of Railways and settled in consultation.

The General Administration shall have the fullest power to examine the details of income and expenditure and to appoint a Representative a Cashier Accountant and an Interpreter who will be associated with the European staff in order to exercise the above-mentioned power of examination. The salaries of the Representative and his associates above-mentioned will be paid from the office of the Tsechow-Taokow Railway.

The Representative shall countersign all vouchers for payment. Accounts will be rendered monthly to the General Administration in English and Chinese one copy each and signed by the respective English and Chinese officials.

The General Administration reserves the right to cause the dismissal of any employee whatever his nationality including the General Manager who does not perform his work satisfactorily or is guilty of misconduct insubordination or disrespect towards the Chinese authorities, and this should be mentioned in the contracts at the time of engagement of the employee.||

All Chinese Employees whether for repairs of line or otherwise will be selected by the Representative of the Director-General who will place them under the executive orders of the General Manager. No Chinese officials or servants can be engaged without the sanction of the Director-General. The expenses of the Shanghai Imperial Railway Administration in respect to this line shall be paid in the same way as for the Luhan Railway. After this section is finished and the working has begun, if additional rolling-stock or plant is required or if improvement or extensions of the line or stations become necessary, the funds for the same shall be provided by the office of the Tsechow-Taokow Railway. As regards orders for the supply of materials necessary for maintaining and repairing the line means should be devised to place the same at Chinese workshops. It is understood that the mines and workshops controlled by H. E. Sheng shall have the preference on the conditions and at the price at which the articles could be purchased abroad. By price is meant laying down price in China.

3.—In the event of military operations whether due to foreign war or internal disturbance the railway will give the preference to Chinese Govern-

|| See Note 2 to this document, *post*, p. 516.

ment troops stores or munitions of war over private merchandise in conveyance over the line.

Rates to be charged in such cases shall be one-half of the ordinary rates and in such matters the railway will carry out any special instructions given by the Director-General. Articles tending to the injury of the Chinese Government are not to be carried on the line.

In case of famine stores for relief will be carried at half rates.

Special arrangements will be made in consultation with the Representative of the Director-General for conveyance of local authorities or members of the Imperial Government travelling on important business over the line. Free passes over the railway shall be countersigned by the Representative of the Director-General.

4.—From the net earnings of the line after paying all working expenses the Pekin Syndicate shall retain such sums as are necessary to meet the service of the loan at least three months in advance of the next half-yearly payment. This procedure will be followed until the whole loan is finally redeemed. The sums retained will be paid over monthly to the Pekin Syndicate or to the bank appointed for that purpose by the Syndicate. The latter will convert the sums so received into gold at the best rate obtainable in order to be used for the service of the loan. Information as to this will be given from time to time to the Director-General.

When by means of monies thus paid over the service of the loan is assured the Syndicate will set apart 10 per cent. of the surplus which will be devoted to building up a reserve fund in order to meet the cost of ordinary or extraordinary repairs with a view to assure the working of the line. The surplus of net earnings still remaining will be paid over to the Imperial Chinese Railway Administration. When the loan is all repaid in accordance with the next following article the Syndicate or its representative will hand over to the Representative of the Director-General all the line fixtures rolling-stock and appurtenances, the whole in good working condition.

5.—The duration of the present contract is fixed at thirty years from date of signature. If however on the expiry of that date the loan is not fully paid off the term of the contract will be necessarily extended and so it will continue until the whole loan is finally redeemed. But if the loan is finally redeemed before the due date the present working contract shall become null and void from the date of such redemption.

6.—The Pekin Syndicate during the term of this contract for the working of the line, shall be entitled to receive from the Imperial Chinese Railway Administration on making up the yearly accounts 20 per cent. of the surplus profits of each year. By surplus profits is meant what is left over after providing for payment of interest and redemption of capital.

7.—In case of dispute the matter is to be settled as provided in Article 20 of the principal contract.

8.—If the earnings are insufficient to meet working expenses the Imperial Chinese Railway Administration will provide funds so as to enable the regular working to be kept up. The funds thus supplied will be considered as a tempo-

rary advance merely and to be paid as soon as the income exceeds the expenditure.

9.—All materials and supplies which the Syndicate may require for the working maintenance and repair of the line, shall if imported from abroad be exempt from Customs duty and likin.

10.—The present contract is drawn up in two copies one for the Imperial Chinese Railway Administration and the other for the Syndicate. In case of doubt or difference in interpretation of the contract the English version shall be deemed the standard.

This Contract shall be submitted to the Throne for ratification by the proper authorities and when the Imperial sanction has been obtained, it will be communicated by the Wai Wu Pu in an official despatch to the British Minister.

Signed and sealed at Peking the 3rd July 1905.

(Signed) G. JAMIESON,
Agent-General, Pekin Syndicate, Limited.
(Sgd.) SHENG.

Note 1.

In this connection, see the following exchange of letters as printed in *Wang*, p. 355.

Exchange of Letters regarding Supplementary Taokow-Chinghua Railway Loan.—July 2, 1905.

"IMPERIAL CHINESE RAILWAY ADMINISTRATION.

"Fa Hua Sze, Peking, 1st July, 1905.

"(TRANSLATION)
"G. Jamieson, Esq., G.M.G.,
Agent General,
Pekin Syndicate Ltd.,
Peking.

"Dear Sir,

"With reference to our discussion which we held here at the above address on the 20th and 29th June 1905 concerning the supplementary loan as stipulated in the 2nd Article of the Loan Agreement of the Taokow-Chinghua Railway which reads, 'If after the line is taken over the earnings of the line are insufficient to meet the payment for interest and refund of capital at due date a further loan may be obtained from the Syndicate,' I have now received instructions from the Wai Wu Pu to the effect that in the event of insufficiency, the loan further obtained from the Syndicate must not exceed £100,000, the Bonds for such loan will be deposited with the Imperial Chinese Railway Administration; when any portion of this loan is required, the Pekin Syndicate on a month's notice, will be prepared to take the bonds issued for such portion and furnish the money required which the Imperial Chinese Railway Administration will hand to the Imperial Bank of China for deposit before it is used; in case, however, that money is not required in time to come, the Railway Administration will be at liberty to diminish the amount of this supplementary loan. I hope, therefore, that you will send me a reply to the above effect so that it may be annexed to the Agreement.

"I remain,
Dear Sir,
Yours faithfully,

(Signed) SHENG HSUAN HUAI,
Director-General."

"PEKIN SYNDICATE LIMITED.

"Peking, July 2nd, 1905.

"His Excellency Sheng Kung Pao,
"Director-General of Railways, &c.
"Your Excellency,

"I beg to acknowledge receipt of Your Excellency's letter of 1st July stating that you had received instructions from the Wai Wu Pu that the further loan mentioned in Article 2 of Loan Agreement should not exceed £100,000 the bonds to be deposited with the Railway Administration and the Syndicate to be prepared to take the bonds and furnish money as required on a month's notice, &c.

"I beg to state in reply that I accept these terms, it being understood that the money is exclusively for the use of the Taokow-Chinghua Railway and the bonds will be taken at 90 per cent of face value.

"I have the honour to be,
Your Excellency's,
Most obedient humble servant,
(Signed) G. JAMIESON,
Director and Agent General."

Note 2.

In *Wang*, p. 359, is printed the following letter in regard to this provision:

"PEKIN SYNDICATE LIMITED.

"Peking, July 29, 1905.

"His Excellency Sheng Kung Pao,
"Director General of Railways.
"Your Excellency,

"In reference to the stipulation in Art. 2 of Working Agreement that in agreements with employees of the Railway it is to be stated that they are liable to dismissal if they do not perform their work satisfactorily or are guilty of misconduct, &c., I beg to say that this will be done in drawing up future agreements. As regards the present staff they will be informed by circular that this provision exists, but their agreements being already signed cannot be altered. These agreements however are only for short periods of 2 or 3 years.

"I have the honour to be,
"Your Excellency's,
"Most obedient humble servant,
"(Signed) G. JAMIESON,
"*Director and Agent General.*"

NUMBER 1905/6.

GREAT BRITAIN AND JAPAN.

Agreement respecting the integrity of China, the general peace of Eastern Asia and India, and the territorial rights and special interests of the parties in those regions.—August 12, 1905.*

PREAMBLE.

The Governments of Great Britain and Japan, being desirous of replacing the Agreement concluded between them on the 30th January, 1902,† by fresh

* Text as printed in British *Parliamentary Paper, Japan*, 1905, No. 2. Printed also in British *Treaty Series*, 1905, No. 25; *Traités et Conventions*, p. 464; *Hertslet*, p. 606; *Recueil*, p. 736; *Am. Int. Law Journal, Supplement*, vol. 1, p. 15; *For. Rel.*, 1905, p. 488. See Note to this document, *post*, p. 518.

† No. 1902/2, *ante*.

stipulations, have agreed upon the following Articles, which have for their object:—

(*a*) The consolidation and maintenance of the general peace in the regions of Eastern Asia and of India;

(*b*) The preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China;

(*c*) The maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said regions:—

ARTICLE I.—It is agreed that whenever, in the opinion of either Great Britain or Japan, any of the rights and interests referred to in the preamble of this Agreement are in jeopardy, the two Governments will communicate with one another fully and frankly, and will consider in common the measures which should be taken to safeguard those menaced rights or interests.

ARTICLE II.—If by reason of unprovoked attack or aggressive action, wherever arising, on the part of any other Power or Powers either Contracting Party should be involved in war in defence of its territorial rights or special interests mentioned in the preamble of this Agreement, the other Contracting Party will at once come to the assistance of its ally, and will conduct the war in common, and make peace in mutual agreement with it.

ARTICLE III.—Japan possessing paramount political, military, and economic interests in Corea, Great Britain recognizes the right of Japan to take such measures of guidance, control, and protection in Corea as she may deem proper and necessary to safeguard and advance those interests, provided always that such measures are not contrary to the principle of equal opportunities for the commerce and industry of all nations.

ARTICLE IV.—Great Britain having a special interest in all that concerns the security of the Indian frontier, Japan recognizes her right to take such measures in the proximity of that frontier as she may find necessary for safeguarding her Indian possessions.

ARTICLE V.—The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the objects described in the preamble of this Agreement.

ARTICLE VI.—As regards the present war between Japan and Russia, Great Britain will continue to maintain strict neutrality unless some other Power or Powers should join in hostilities against Japan, in which case Great Britain will come to the assistance of Japan, and will conduct the war in common, and make peace in mutual agreement with Japan.

ARTICLE VII.—The conditions under which armed assistance shall be afforded by either Power to the other in the circumstances mentioned in the present Agreement, and the means by which such assistance is to be made available, will be arranged by the Naval and Military authorities of the Contracting Parties, who will from time to time consult one another fully and freely upon all questions of mutual interest.

ARTICLE VIII.—The present Agreement shall, subject to the provisions of Article VI., come into effect immediately after the date of its signature, and remain in force for ten years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said ten years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto,* continue until peace is concluded.

In faith whereof the Undersigned, duly authorized by their respective Governments, have signed this Agreement and have affixed thereto their Seals.

Done in duplicate at London, the 12th day of August, 1905.

(L.S.) LANSDOWNE,
His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

(L.S.) TADASU HAYASHI,
Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.

Note.

This agreement was replaced by that of July 13, 1911 (No. 1911/7, *post*). It was forwarded to the British Ambassador at St. Petersburg under cover of a dispatch dated September 6, 1905, reading as follows:

"FOREIGN OFFICE, *September 6, 1905.*

"Sir,—I enclose, for your Excellency's information, a copy of a new Agreement concluded between His Majesty's Government and that of Japan in substitution for that of the 30th January, 1902. You will take an early opportunity of communicating the new Agreement to the Russian Government.

"It was signed on the 12th August, and you will explain that it would have been immediately made public but for the fact that negotiations had at that time already commenced between Russia and Japan, and that the publication of such a document whilst those negotiations were still in progress would obviously have been improper and inopportune.

"The Russian Government will, I trust, recognize that the new Agreement is an international instrument to which no exception can be taken by any of the Powers interested in the affairs of the Far East. You should call special attention to the objects mentioned in the preamble as those by which the policy of the Contracting Parties is inspired. His Majesty's Government believe that they may count upon the good will and support of all the Powers in endeavouring to maintain peace in Eastern Asia, and in seeking to uphold the integrity and independence of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in that country.

"On the other hand, the special interests of the Contracting Parties are of a kind upon which they are fully entitled to insist, and the announcement that those interests must be safeguarded is one which can create no surprise, and need give rise to no misgivings.

"I call your especial attention to the wording of Article II., which lays down distinctly that it is only in the case of an unprovoked attack made on one of the Contracting Parties by another Power or Powers, and when that Party is defending its territorial rights and special interests from aggressive action, that the other Party is bound to come to its assistance.

"Article III., dealing with the question of Corea, is deserving of especial attention. It recognizes in the clearest terms the paramount position which Japan at this moment occupies and must henceforth occupy in Corea, and her right to take any measures which she may find necessary for the protection of her political, military, and economic interests in that country. It is, however, expressly provided that such measures must not be contrary to the principle of equal opportunities for the commerce and industry of other nations. The new Treaty no doubt differs at this point conspicuously from that of 1902. It has,

however, become evident that Corea, owing to its close proximity to the Japanese Empire and its inability to stand alone, must fall under the control and tutelage of Japan.

"His Majesty's Government observe with satisfaction that this point was readily conceded by Russia in the Treaty of Peace recently concluded with Japan, and they have every reason to believe that similar views are held by other Powers with regard to the relations which should subsist between Japan and Corea.

"His Majesty's Government venture to anticipate that the alliance thus concluded, designed as it is with objects which are purely peaceful and for the protection of rights and interests the validity of which cannot be contested, will be regarded with approval by the Government to which you are accredited. They are justified in believing that its conclusion may not have been without effect in facilitating the settlement by which the war has been so happily brought to an end, and they earnestly trust that it may, for many years to come, be instrumental in securing the peace of the world in those regions which come within its scope.

"I am, &c., (Signed) LANSDOWNE."

A similar despatch was addressed to the British Ambassador at Paris.

NUMBER 1905/7.

THE UNITED STATES (American China Development Company) AND CHINA.

Agreement to sell the Canton-Hankow Railway.—August 29, 1905.*

This 29th of August, 1905, Chang, Hukuang Viceroy, representative of the three provinces of Hunan, Hupeh, and Kwantung, and Liang, Envoy to the United States of America and Mexico, acting on behalf of the Government of the Chinese Empire, party of the first part; and the China Development Company, of the State of New Jersey, U. S. A., party of the second part; enter into the following agreement:—

WHEREAS, by an Agreement of the 14th April 1898, made at Washington, U. S. A., and by a supplementary agreement on 13th July 1900, the party of the second part was invested with power to construct in the Empire of China a railway from Hankow city to Canton city, together with the right to operate the same; and WHEREAS, previous to the 7th of June 1905, the Imperial Chinese

* For the texts of the contracts of April 14, 1898, and July 13, 1900, granting the concession for the Canton-Hankow (or Yüeh-Han) Railway, see *Rockhill,* p. 252; and in connection with them, see (in *Rockhill,* p. 345, and in *China,* 1899, No. 1, p. 322) the memorandum of agreement between the British and Chinese Corporation and the American China Development Company in regard to participation in railway business in China, signed February 1, 1899, but subsequently determined in accordance with the provisions of its 7th Article.

In reference to the cancellation of the concession, see *For. Rel.,* 1905, pp. 124 *et seq.*

See the agreement between the Viceroy of the Hu-Kuang and the Government of Hongkong for a loan of £1,100,000 for the redemption of the concession (No. 1905/9, *post*).

The construction of the Canton-Hankow Railway has not yet been completed. The southern portion of the line, within the Province of Kuangtung, is owned by a provincial railway company, which has carried construction from Canton to the vicinity of Shiuchow, about seventy miles south of the boundary between Kuangtung and Hunan. The northern section, lying within Hupeh and Hunan, is included under the Hukuang Railway loan agreement of May 20, 1911 (No. 1911/5, *post*); the line is in operation from Wuchang (on the Yangtsze River, opposite Hankow) to Chuchow (about forty miles south of Changsha), leaving approximately two hundred miles to be constructed in the Province of Hunan.

Government cancelled the two agreements or the special powers aforesaid, declaring its determination itself to deal with the railroad in the said agreement referred to and duly notified the party of the second part of said cancellation of the agreement above mentioned; and WHEREAS, the two parties to the agreement have agreed that the amount as such compensation to be paid by the party of the first part to the party of the second part shall be Six Million, seven hundred and fifty thousand American Gold Dollars; Now the terms decided upon are set forth in a preliminary contract as follows:—

PRELIMINARY CONTRACT agreed upon between the Imperial Chinese Government and the China Development Company of the United States of America:—

WHEREAS the Chinese Government cancels and annuls the special powers for building the Yueh-han Railway and its agreement and does not authorize the China Development Co. to proceed with the railway work, but is willing to pay compensation at a fair rate, this compensation is fixed at a total sum of Gold $6,750,000.00. The Chinese Government may take over and control all the Development Company's property in China, the railway already built, the railroad materials, surveys and plans, special mining powers, together with all powers and privileges in China thereunto appertaining, whether express or implied, whatsoever absolutely. The Chinese Government loan bonds already taken up by the Development Company, apart from the $2,222,000.00 already sold, shall all be returned to the Chinese Government's custody. As regards the $2,222,000 already sold, the buyers may either retain or return them at their option and if the buyers choose to retain them either wholly or in part, the amount, at the rate of $90 per $100 shall be deducted from the total sum of $6,750,000. Provided in any case the $55,550 of interests accrued thereon and due on these $2,222,000 bonds upon 1st May 1905 must be duly paid by the Chinese Government within three months from the date of these presents, the Chinese Government must pay an instalment amounting to two millions of the total sum of 6¾ millions of dollars and the balance within six months of the said date unto the China Development Company. It is agreed that the said payments shall be duly provided by the Chinese Government which shall on each instalment pay in addition interest at the rate of 5% per annum from the first day of May 1905 to the date of the payment of the same.

The foregoing agreement requires confirmation by the Chinese Government and the Development Company's shareholders to render it binding.

Signed this 7th of June 1905 by

FOSTER ROOTS,
YING KO-LAN.

AND WHEREAS, the shareholders of the party of the second part did on the 29th of August 1905 in meeting assembled duly confirm the foregoing preliminary contract and a majority of the shareholders and directors of the said party of the second part have authorized the carrying out of the foregoing preliminary agreement, the managers of the party of the second part are able to complete the Agreement necessary for the carrying out of this contract.

And whereas, a decree of H. M., the Emperor of China, has duly confirmed the above draft and appointed Chang, Hukuang Viceroy, and Liang, Envoy, to carry out the original contract, Now therefore the two parties agree as follows:

The party of the first part agrees to give to the party of the second part American Gold Dollars 6¾ millions together with interest at 5% per annum from 1st May 1905 to date of payment whether one or several in the manner following, that is to say on or before 7th September 1905 there shall be paid two millions and the balance on or before December 1905 by the party of the first part at New York in American Gold Dollars to the party of the second part in full from the party of the first part, the party of the second part shall thereupon be fully divested of all the special powers arising from all agreements aforesaid and any and every demand which on account of the cancellation of such agreements aforesaid could be made on the Imperial Chinese Government. And in accordance with the above arrangement, the party of the second part shall return in full to the party of the first part the property in China of the China Development Company, the railroad complete, the railroad materials, plans, surveys, all special mining powers together with all property in China of the China Development Company whatsoever whether express or implied.

The two parties to this agreement both are desirous that the Imperial Government of China shall take over full control of the property in China accruing to the party of the second part under each of the above referred agreements, but they mutually declare that until payment of the final instalment, all present conditions shall remain unchanged and the status and privileges of the party of the second part shall not on any account of this agreement be altered. They mutually declare further that the party of the second part shall within forty days from date hereof notify the party of the first part of the retention or delivery to the party of the first part of the $2,222,000 of loan bonds of the Imperial Chinese Government already sold. Should the holder or holders of such bonds not inform the party of the second part in due time of his or their determination, the said holder or holders shall thereby be taken to have elected to retain the loan bonds and the party of the first part shall be at liberty for every bond retained at the rate of 90 cents to the $ to deduct from the final payment the amount thereof. The party of the first part agrees to pay on the loan bonds already sold the interest from the 1st May 1905 due up to or before the 7th September 1907 and further to pay principal and interest when due to the holders of all loan bonds retained, and it is mutually agreed that the preliminary Agreement of 7th June 1905 having been recognized as valid by both parties shall be thoroughly carried out.

On the day and year just above mentioned the party of the first part through Hukuang Viceroy Chang and Envoy Liang in virtue of Imperial Decree sign this agreement in duplicate and the party of the second part through the General Manager and Secretary of the said Company sign this Agreement in duplicate and affix the seal of the said Company in token of good faith.

Signed by Hukuang Viceroy Chang, representing Hunan, Hupeh and Kwangtung, by Liang, Envoy.

By General Manager of the China Development Company,

WHITTIER.

By Secretary of the China Development Company,.....?

Witnesses:

YING KO-LAN

FOSTER.

NUMBER 1905/8.

RUSSIA AND JAPAN.

Treaty of peace.—September 5, 1905.*

His Majesty the Emperor of Japan on the one part, and His Majesty the Emperor of all the Russias on the other part, animated by the desire to restore the blessings of peace to Their countries and peoples, have resolved to conclude a Treaty of Peace, and have, for this purpose, named Their Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan:

His Excellency Baron Komura Jutaro, Jusammi, Grand Cordon of the Imperial Order of the Rising Sun, His Minister for Foreign Affairs, and

His Excellency M. Takahira Kogoro, Jusammi, Grand Cordon of the Imperial Order of the Sacred Treasure, His Envoy Extraordinary and Minister Plenipotentiary to the United States of America;

and His Majesty the Emperor of all the Russias:

His Excellency M. Serge Witte, His Secretary of State and President of the Committee of Ministers of the Empire of Russia, and

His Excellency Baron Roman Rosen, Master of the Imperial Court of Russia and His Ambassador Extraordinary and Plenipotentiary to the United States of America;

Who, after having exchanged their full powers which were found to be in good and due form, have concluded the following Articles:

ARTICLE I.—There shall henceforth be peace and amity between Their Majesties the Emperor of Japan and the Emperor of all the Russias and between Their respective States and subjects.

ARTICLE II.—The Imperial Russian Government, acknowledging that Japan possesses in Corea paramount political, military and economical interests, engage

* English text as printed in *Traités et Conventions*, p. 585. Printed also, in French text, on p. 97 of the Orange Book containing protocols of the Portsmouth peace conference, published by the Russian Ministry for Foreign Affairs, St. Petersburg, 1906; *Hertslet*, p. 608; *Recueil*, p. 741. See Note to this document, *post*, p. 527.

neither to obstruct nor interfere with the measures of guidance, protection and control which the Imperial Government of Japan may find it necessary to take in Corea.

It is understood that Russian subjects in Corea shall be treated exactly in the same manner as the subjects or citizens of other foreign Powers, that is to say, they shall be placed on the same footing as the subjects or citizens of the most favoured nation.

It is also agreed that, in order to avoid all cause of misunderstanding, the two High Contracting Parties will abstain, on the Russo-Corean frontier, from taking any military measure which may menace the security of Russian or Corean territory.

ARTICLE III.—Japan and Russia mutually engage:

1. To evacuate completely and simultaneously Manchuria except the territory affected by the lease of the Liao-tung Peninsula, in conformity with the provisions of additional Article I. annexed to this Treaty; and

2. To restore entirely and completely to the exclusive administration of China all portions of Manchuria now in the occupation or under the control of the Japanese or Russian troops, with the exception of the territory above mentioned.

The Imperial Government of Russia declare that they have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity.

ARTICLE IV.—Japan and Russia reciprocally engage not to obstruct any general measures common to all countries, which China may take for the development of the commerce and industry of Manchuria.

ARTICLE V.—The Imperial Russian Government transfer and assign to the Imperial Government of Japan, with the consent of the Government of China, the lease of Port Arthur, Talien and adjacent territory and territorial waters and all rights, privileges and concessions connected with or forming part of such lease and they also transfer and assign to the Imperial Government of Japan all public works and properties in the territory affected by the above mentioned lease.

The two High Contracting Parties mutually engage to obtain the consent of the Chinese Government mentioned in the foregoing stipulation.

The Imperial Government of Japan on their part undertake that the proprietary rights of Russian subjects in the territory above referred to shall be perfectly respected.

ARTICLE VI.—The Imperial Russian Government engage to transfer and assign to the Imperial Government of Japan, without compensation and with the consent of the Chinese Government, the railway between Chang-chun (Kuan-cheng-tzu) and Port Arthur and all its branches, together with all rights, privileges and properties appertaining thereto in that region, as well as all coal mines in the said region belonging to or worked for the benefit of the railway.

The two High Contracting Parties mutually engage to obtain the consent of the Government of China mentioned in the foregoing stipulation.

ARTICLE VII.—Japan and Russia engage to exploit their respective railways

in Manchuria exclusively for commercial and industrial purposes and in no wise for strategic purposes.

It is understood that that restriction does not apply to the railway in the territory affected by the lease of the Liao-tung Peninsula.

ARTICLE VIII.—The Imperial Governments of Japan and Russia, with a view to promote and facilitate intercourse and traffic, will, as soon as possible, conclude a separate convention for the regulation of their connecting railway services in Manchuria.†

ARTICLE IX.—The Imperial Russian Government cede to the Imperial Government of Japan in perpetuity and full sovereignty, the southern portion of the Island of Saghalien and all islands adjacent thereto, and all public works and properties thereon. The fiftieth degree of north latitude is adopted as the northern boundary of the ceded territory. The exact alignment of such territory shall be determined in accordance with the provisions of additional Article II. annexed to this Treaty.

Japan and Russia mutually agree not to construct in their respective possessions on the Island of Saghalien or the adjacent islands, any fortifications or other similar military works. They also respectively engage not to take any military measures which may impede the free navigation of the Straits of La Perouse and Tartary.

ARTICLE X.—It is reserved to the Russian subjects inhabitants of the territory ceded to Japan, to sell their real property and retire to their country; but, if they prefer to remain in the ceded territory, they will be maintained and protected in the full exercise of their industries and rights of property, on condition of submitting to Japanese laws and jurisdiction. Japan shall have full liberty to withdraw the right of residence in, or to deport from, such territory, any inhabitants who labour under political or administrative disability. She engages, however, that the proprietary rights of such inhabitants shall be fully respected.

ARTICLE XI.‡—Russia engages to arrange with Japan for granting to Japanese subjects rights of fishery along the coasts of the Russian possessions in the Japan, Okhotsk and Behring Seas.

It is agreed that the foregoing engagement shall not affect rights already belonging to Russian or foreign subjects in those regions.

ARTICLE XII.§—The Treaty of Commerce and Navigation between Japan and Russia having been annulled by the war, the Imperial Governments of Japan and Russia engage to adopt as the basis of their commercial relations, pending the conclusion of a new treaty of commerce and navigation on the basis of the Treaty which was in force previous to the present war, the system of reciprocal treatment on the footing of the most favoured nation, in which are included import and export duties, customs formalities, transit and tonnage dues, and the

† Such a convention was concluded June 13, 1907 (No. 1907/9, *post*).

‡ A fisheries convention was concluded between Japan and Russia on July 28, 1907.

§ A treaty of commerce and navigation, with separate articles, protocol and exchange of notes attached thereto, and a protocol relating to certain Japanese and Russian consulates, were concluded between Japan and Russia on July 28, 1907. See also the political convention of July 30, 1907 (No. 1907/11, *post*).

admission and treatment of the agents, subjects and vessels of one country in the territories of the other.

ARTICLE XIII.—As soon as possible after the present Treaty comes into force, all prisoners of war shall be reciprocally restored. The Imperial Governments of Japan and Russia shall each appoint a special Commissioner to take charge of prisoners. All prisoners in the hands of one Government shall be delivered to and received by the Commissioner of the other Government or by his duly authorized representative, in such convenient numbers and at such convenient ports of the delivering State as such delivering State shall notify in advance to the Commissioner of the receiving State.

The Governments of Japan and Russia shall present to each other, as soon as possible after the delivery of prisoners has been completed, a statement of the direct expenditures respectively incurred by them for the care and maintenance of prisoners from the date of capture or surrender up to the time of death or delivery. Russia engages to repay to Japan, as soon as possible after the exchange of the statements as above provided, the difference between the actual amount so expended by Japan and the actual amount similarly disbursed by Russia.

ARTICLE XIV.—The present Treaty shall be ratified by Their Majesties the Emperor of Japan and the Emperor of all the Russias. Such ratification shall, with as little delay as possible and in any case not later than fifty days from the date of the signature of the Treaty, be announced to the Imperial Governments of Japan and Russia respectively through the French Minister in Tokio and the Ambassador of the United States in Saint Petersburg and from the date of the later of such announcements this Treaty shall in all its parts come into full force.

The formal exchange of the ratifications shall take place at Washington as soon as possible.‖

ARTICLE XV.—The present treaty shall be signed in duplicate in both the English and French languages. The texts are in absolute conformity, but in case of discrepancy in interpretation, the French text shall prevail.

In witness whereof, the respective Plenipotentiaries have signed and affixed their seals to the present Treaty of Peace.

Done at Portsmouth (New Hampshire) this fifth day of the ninth month of the thirty-eighth year of Meiji, corresponding to the twenty-third day of August (fifth September) one thousand nine hundred and five.

(Signed) JUTARO KOMURA. [L.S.] (Signed) SERGE WITTE. [L.S.]
(Signed) K. TAKAHIRA. [L.S.] (Signed) ROSEN. [L.S.]

ADDITIONAL ARTICLES.

In conformity with the provisions of Articles III. and IX. of the Treaty of Peace between Japan and Russia of this date, the undersigned Plenipotentiaries have concluded the following additional Articles:—

‖ Ratifications were exchanged at Washington, November 25, 1905.

I.—To Article III.

The Imperial Governments of Japan and Russia mutually engage to commence the withdrawal of their military forces from the territory of Manchuria simultaneously and immediately after the Treaty of Peace comes into operation, and within a period of eighteen months from that date, the Armies of the two countries shall be completely withdrawn from Manchuria, except from the leased territory of the Liao-tung Peninsula.

The forces of the two countries occupying the front positions shall be first withdrawn.

The High Contracting Parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria. The number of such guards shall not exceed fifteen per kilomètre and within that maximum number, the Commanders of the Japanese and Russian Armies shall, by common accord, fix the number of such guards to be employed, as small as possible having in view the actual requirements.

The Commanders of the Japanese and Russian forces in Manchuria shall agree upon the details of the evacuation in conformity with the above principles, and shall take by common accord the measures necessary to carry out the evacuation as soon as possible and in any case not later than the period of eighteen months.

II.—To Article IX.

As soon as possible after the present Treaty comes into force, a Commission of Delimitation, composed of an equal number of members to be appointed respectively by the two High Contracting Parties, shall on the spot, mark in a permanent manner the exact boundary between the Japanese and Russian possessions on the Island of Saghalien. The Commission shall be bound, so far as topographical considerations permit, to follow the fiftieth parallel of north latitude as the boundary line, and in case any deflections from that line at any points are found to be necessary, compensation will be made by correlative deflections at other points. It shall also be the duty of the said Commission to prepare a list and description of the adjacent islands included in the cession and finally the Commission shall prepare and sign maps showing the boundaries of the ceded territory. The work of the Commission shall be subject to the approval of the High Contracting Parties.

The foregoing additional Articles are to be considered as ratified with the ratification of the Treaty of Peace to which they are annexed.

Portsmouth, the 5th day, 9th month, 38th year of Meiji, corresponding to 23rd August,
the ———————— 1905.
5th September,

(Signed) Jutaro Komura. (Signed) Serge Witte.
(Signed) K. Takahira. (Signed) Rosen.

Note.

In connection with this treaty see also the protocol of armistice signed at Portsmouth, September 1, 1905, as follows:

Protocol of Armistice between Japan and Russia.—September 1, 1905.

"The undersigned Plenipotentiaries of Japan and Russia duly authorised to that effect by their Governments have agreed upon the following terms of armistice between the belligerents, pending the coming into force of the Treaty of Peace:—

"1. A certain distance (zone of demarcation) shall be fixed between the fronts of the armies of the two Powers in Manchuria as well as in the region of the Tomamko (Tumen).

"2. The naval forces of one of the belligerents shall not bombard territory belonging to or occupied by the other.

"3. Maritime captures will not be suspended by the armistice.

"4. During the term of the armistice reinforcements shall not be dispatched to the theatre of war. Those which are en route shall not be dispatched to the north of Mukden on the part of Japan and to the south of Harbin on the part of Russia.

"5. The commanders of the armies and fleets of the two Powers shall determine in common accord the conditions of the armistice in conformity with the provisions above enumerated.

"6. The two Governments shall give orders to their commanders immediately after the signature of the Treaty of Peace in order to put this protocol in execution.

"Portsmouth, 1st September, 1905.

"(Signed.) "Jutaro Komura.
"K. Takahira.
"Serge Witte.
"Rosen."

(Translation from the French text printed on p. 96 of the Russian Orange Book containing protocols of the Portsmouth peace conference; St. Petersburg, 1906.)

For the protocol of military armistice arranged between the respective commanders on September 13, 1905, and the protocol of naval armistice of September 18, 1905, see *For. Rel.*, 1906, p. 1085.

On October 30, 1905, the respective military authorities concluded the following Protocol of the procedure in withdrawing troops of the Japanese and Russian Armies from Manchuria, and transferring the Railways:

Protocol concerning Withdrawal of Japanese and Russian Armies from Manchuria, and Transfer of Railways.—October 30, 1905.

"Article I.—The following agreement has been concluded in accordance with the supplementary agreement relating to Article III of the treaty of peace between Japan and Russia at Portsmouth on September 5 of this year (August 23):

"1. The Japanese troops occupying the front positions in Manchuria shall be withdrawn within the zone of Fakumen, Chinchiatung, Changtu, Weiyanpaomen, and Fushun by December 31 (18), 1905. The Russian troops occupying the front positions in Manchuria shall be withdrawn within the zone of Itunchou, Yekhotien Weitzukou, Pamiencheng, and Shanchengtzu by the same date.

"2. By June 1 (May 19), 1906, the Japanese troops shall be withdrawn to the line of Fakumen, Tieling, and Fushun and to the south thereof, and the Russian troops to the line of Shanchengtzu, Kungshunglieng Railway Station, Itunchou, and to the north thereof.

"3. By August 1 (July 19), 1906, the Japanese troops shall be withdrawn to the line of Hsinmintun, Mukden, and Fushun, and to the south thereof; and the Russian troops to the line of Shanhotun, Kuanchengtzu, and Palipu, and to the north thereof.

"4. Neither of the two contracting powers shall have more than 250,000 combatants in Manchuria after April 15 (April 2), or 75,000 after October 15 (October 2), 1906. Both contracting powers are required to complete the withdrawal of their troops by April 15 (April 2), 1907.

"5. In accordance with supplementary agreement I to the treaty of peace, the number of guards to protect their respective railways in Manchuria shall be 15 per kilometer on the average.

"Article II.—For the purpose of transferring the railways, each of the two contracting powers shall appoint a commission consisting of three persons selected from officers and experts belonging to the section of military communication.

"The said commission shall commence its work between April 10 and 20, 1906 (new calendar); and the place and time of meeting shall be determined later.

"The transfer and receiving of railways south of Kuanchengtzu Station and those at Kuanchengtzu Station, as well as north thereof, shall be completed before June 1 (May 19), 1906, and August 1 (July 19), 1906, respectively.

"The determination of the extreme northern point of the railways to be transferred to Japan shall be left to diplomatic negotiations.

"The undersigned, having been duly empowered by the commanders in chief of the Japanese and Russian armies, hereby certify that they have made this protocol in duplicate in both the Japanese and the Russian languages, and that each side keeps a text each in the Japanese and the Russian Languages.

"Done at Sz-ping-kai Railway Station on October 30 (17), 1905.

"(Signed) MAJOR-GENERAL YASUMASA FUKUSHIMA,
Staff of the Japanese Army in Manchuria.

"(Signed) MAJOR-GENERAL OLANOVSKY,
Second in Command of the Staff of the Russian Army in Manchuria."

(*For. Rel. of the U. S.*, 1906, p. 189.)

An accompanying memorandum relating to the crossing of the neutral zone between the Japanese and Russian armies is to be found in *For. Rel.*, 1906, p. 188.

With particular reference to the transfers provided for in Articles 5 and 6, see the treaty between Japan and China, December 22, 1905 (No. 1905/18, *post*). See also the political conventions between Japan and Russia of July 30, 1907 (No. 1907/11, *post*), July 4, 1910 (No. 1910/1, *post*), and July 3, 1916 (No. 1916/9, *post*).

NUMBER 1905/9.

GREAT BRITAIN (Government of Hongkong) AND CHINA.

Agreement for a loan for the redemption of the Canton-Hankow Railway concession.—September 9, 1905.*

This Agreement is made between His Excellency Chang, Junior Guardian of the Heir Apparent, Viceroy of the Hukuang Provinces of China of the one part and the Government of Hongkong of the other part.

The Viceroy has been imperially appointed to devise means for the resumption of the Canton-Hankow Railway and the present loan has been referred to the Throne and His Majesty the Emperor of China has issued a Decree approving of the Agreement being made by the Viceroys of the Hukuang and Liangkuang and the Governor of Hunan for themselves and their successors in office.

Whereas the Viceroy is charged with the settlement of all questions concerning the Hankow-Canton Railway and for this purpose is in need of funds to redeem the Concession for the building thereof heretofore granted to an American company, and whereas the Viceroy has officially applied to the Government of His Britannic Majesty for financial assistance to buy back the shares in the said American company and so perform the said special charge laid upon His Excellency and whereas the Government of Hongkong has agreed at the instance of the Government of His Britannic Majesty to afford His Excellency the Viceroy the assistance applied for

It is now agreed as follows:—

1.—The Government of Hongkong agrees to lend to the three provinces of

* Text as printed in *Wang*, p. 537 (omitting the schedule of payments of interest and repayment of principal).

For the agreement for the sale of the American China Development Company's concession, August 29, 1905, see No. 1905/7, *ante*.

See Note to this document, *post*, p. 530.

Hupei, Hunan and Kuangtung the sum of one million one hundred thousand pounds sterling payable as set forth in Clause 7 below. The exact division of the responsibility for this sum will be settled and announced later.

2.—The term of the loan shall be ten years calculated from the sixth day of October 1905 and repayment of principal shall be made by ten equal instalments of Pounds one hundred and ten thousand (£110,000) each commencing on the sixth day of October 1906, provided that at any time after the payment of the fifth annual instalment the three Provinces shall be at liberty on giving six calendar months notice beforehand to pay off the whole amount of the principal then outstanding with interest up to the date of such paying off only and thereupon this Agreement shall cease and terminate.

3.—Interest on the loan shall be paid at the rate of four and a half per cent. calculated half-yearly on the amount of principal from time to time outstanding.

4.—All payments of interest and repayments of principal shall be made in accordance with the amounts and dates of the schedule attached to this Agreement to the Treasurer of Hongkong at Hongkong in sterling sight drafts or in the equivalent of sterling amount at the option of the Government of Hongkong.

5.—This Loan shall be secured by a first mortgage on the Opium Revenues of the three Provinces of Hupei, Hunan and Kuangtung and shall as regards security for principal and interest rank before any Loan hereafter raised on the security of those revenues and the priority of this Loan shall be expressly stated in any agreement for such subsequent loan secured wholly or in part on the said Opium Revenues. Should hereafter the Opium Revenues of the three Provinces not suffice to meet payments the Viceroy of Hukuang may agree with the Hunan and Kuangtung Governments which province's quota is insufficient and such province shall supplement the above Opium Revenues by other revenues for the service of the present Loan; but in case of default with regard to payments of interest or repayment of principal of the present Loan the Viceroy may be called upon by His Britannic Majesty's Government to agree with Kuangtung and Hunan which province is in default and that province shall appropriate and place under administration of Imperial Maritime Customs further approved revenues as its security.

6.—This Loan shall be further secured by deposit with His Britannic Majesty's Consul-General at Hankow of sterling Likin yearly Bonds equal in value altogether to the total amount of the Loan, principal and interest, sealed by the Viceroy of the Hukuang Provinces and countersigned by the foreign Commissioner of Customs at Hankow. In the event of the money to meet a payment of interest or instalment of principal not being handed to the Hongkong Treasurer at Hongkong on due date these Likin Bonds shall become available for the payment of likin in the Hukuang Provinces and Kuangtung; and the provincial authorities shall be instructed accordingly.

7.—Of the proceeds of this Loan the Government of Hongkong on the 6th day of October 1905 shall remit £400,000 to the Hongkong and Shanghai Bank Hankow to the credit of the Viceroy Chang and shall on the said 6th day of October 1905 also remit £700,000 to New York to the credit of the Chinese Minister His Excellency Liang; and the Hongkong Government may require

from the Viceroy through His Britannic Majesty's Consul General at Hankow such evidence as he may deem satisfactory of the due employment of the funds for the object stated.

8.—Before the execution of this Agreement the Viceroy has reported to the Throne and obtained an Imperial Decree approving and sanctioning this Loan Agreement which Decree will be communicated to His Britannic Majesty's Minister at Peking by the Wai Wu Pu officially.

9.—The Viceroy has by telegraph consulted the Viceroy of the Liang-kuang who has replied consenting to the pledging of the Opium Revenues of Kuangtung and to the terms of this Agreement so far as they affect that Province.

10.—This Agreement is executed in six parts in English and Chinese one copy to be retained by the Hukuang Viceroy, one copy by the Canton Viceroy, one copy by the Hunan Governor, one copy by the Government of Hongkong, one copy by His Britannic Majesty's Minister at Peking and one copy by His Britannic Majesty's Consul-General at Hankow.

In the event of any doubt arising as to the interpretation of the Contract the English text shall rule.

Signed at Wuchang by the contracting parties this eleventh day of the eighth moon of the year thirty one of the Reign Kuang Hsü being the ninth day of September 1905, Western Calendar.

H. B. M.'s Consul General, Hankow,
for the Government of Hongkong.
[*Signature and Seal*]

Viceroy
[*Signature and Seal*]

Note.

It is understood that, in connection with this agreement, Viceroy Chang Chih-tung on September 9, 1905, gave to the British Consul General at Hankow (Mr. Everard H. Fraser) a letter of which the following is a translation:

Letter of Hukuang Viceroy regarding Preference to British Nationals in Railway Construction in Hupeh and Hunan.—September 9, 1905.

"In view of your services in obtaining for me the present loan for the redemption of the Canton-Hankow Railway and the very fair terms on which it has been arranged, I have the honor to give the following assurance which binds the viceroys and governors of the three provinces of Hupeh, Hunan, and Kuangtung and their successors in office who have power to deal with railways:

"As regards funds for the future construction of the Canton-Hankow Railway, in case it is necessary to borrow abroad in addition to the amount China may herself provide, the first application shall be made to England, and if the British tender is, as regards interest and issue price, equal to the tenders of other countries, British financiers shall have the first option of undertaking the business; if in the above and other respects the tenders of other countries are fairer and more favorable than England's, China will be free to choose the fairest and most favorable and make other arrangements for borrowing.

"If funds for constructing the Canton-Hankow Railway have been borrowed from England, then for the machinery and materials required for that line, apart from what China has of her own making, if bought abroad, British firms and works shall first be applied to, and if their tenders are of similar cost to those made by other countries' firms and works, the British works shall have the first option of undertaking the orders; if the wares of other countries are excellent and the price moderate, China shall be free to contract for purchase from the most suitable.

"Beyond this, if within the jurisdiction of Hupeh and Hunan there are other railway construction enterprises which likewise necessitate loans from abroad, they shall be dealt with on the system set forth above as applicable to the Canton-Hankow Railway loans.

"With regard to the engineers needed for the construction of the railways, I declare that one-half will be of the nation that lends the funds and the other half will be Japanese. The work will be divided into sections for undertaking, and each nation will attend to its own business. China will retain control as regards all railway companies, their employees, selection of land, management of lines, and running of cars; the engineers will only attend to the affairs of the requisite works within their sections and may not interfere in anything else.

"I am communicating officially with the officers concerned, and I have, etc., etc.

"(Seal of Hukuang Viceroy.)"

Under date of June 21, 1918, it is understood, the Chinese Ministry for Foreign Affairs had occasion to address to the British Legation in Peking a note in which it was stated that, "with reference to the note formerly given the British Consul at Hankow by the Hukuang Viceroy, it is clearly stated in Article 2 of the Hongkong agreement that when the capital and interest have been paid the agreement shall be cancelled. The note referred to was an addendum to the said agreement. The capital and interest specified in the agreement have long been paid, and so the agreement has now no force; so any addendum to the agreement has also ceased to have force."

NUMBER 1905/10.

INTERNATIONAL AND CHINA.

New agreement for the Huangpu conservancy.—September 27, 1905.*

The Chinese Government, being desirous of substituting for the terms of the Protocol of 1901, having reference to the establishment of a River Board for the Huangpu and the functions and revenues of such Board, a new method of procedure whereby the Chinese Government itself will undertake the work and defray the whole of the expense thereof; and the Powers signatory to the final Protocol having assented to this proposition, the following conditions have been agreed upon:—

ARTICLE I.—The Customs Taotai and the Commissioner of Customs at Shanghai are entrusted with the general management of the work of improving the course of the Huangpu and of ameliorating the condition of the bar, both at this and the other side of Woosung, as well as of the maintenance of such works.

With regard to the river and sanitary police, lighting and buoying, pilot service, etc., the former regulations will continue to be in force.

ARTICLE II.—Three months after signature of the present agreement China will herself select an engineer experienced in matters of river conservancy, and if a majority of the representatives of the Powers signatory to the final Protocol consider that the engineer thus chosen possesses the requisite qualifications, China will immediately appoint him to undertake the work.

*Translation from the French text as printed in *U. S. Treaty Series* (No Number). French text printed also in *Customs*, Vol. I, p. 342; *Traités et Conventions*, p. 200; *Hertslet*, p. 199; other translation in *Malloy*, p. 2013, and *U. S. Treaty Series*.

In connection with this agreement see also the final protocol of September 7, 1901, for the settlement of the disturbances of 1900 (No. 1901/3, *ante*), and the Huangpu regulations attached thereto as Annex No. 17; also the Huangpu agreement of April 9, 1912 (with the supplementary article of 1915) (No. 1912/6, *post*).

In case, after commencement of the works, it should be necessary, for reasons considered valid by a majority of the Ministers interested, to take steps to replace him, the selection and appointment of the new engineer would be effected in the same manner as above mentioned.

ARTICLE III.—All contracts for undertaking the whole or part of the river conservancy works, for purchase of material or of machinery, etc., shall be submitted to public tender and awarded to the party offering the most advantageous terms.

ARTICLE IV.—Every three months a detailed report upon the work done and a statement of expenses incurred will be drawn up and submitted for examination to the Consular Body at Shanghai.

ARTICLE V.—The sanction of the Taotai and of the Commissioner of Customs in Shanghai will be required for constructing wharves and jetties as well as for the establishment of all pontoons or floating houses in the river.

ARTICLE VI.—The Taotai, and the Commissioner of Customs at Shanghai will have the right to expropriate the existing permanent moorings and to establish a system of public moorings in the river.

ARTICLE VII.—The sanction of the Taotai and of the Commissioner of Customs will be necessary for the prosecution of all dredging and other work.

ARTICLE VIII.—The Taotai and Commissioner of Customs will have the right to acquire all land, situated outside the foreign concessions, necessary for the execution of the work of improving and conserving the Huangpu, and to dispose of the said land. If, in this connection, it should be considered necessary to expropriate land, and if such land should be the property of foreigners, the price therefor will be determined by a commission composed of:—

(1) A person selected by the Consular authority having jurisdiction over the owner.

(2) A person selected by the Taotai and the Commissioner of Customs.

(3) A person selected by the Dean of the Consular Body.

Should the Dean of the Consular body be also the Consul of the proprietor, the third member of the Commission would be chosen by the Consul next in seniority to the Dean.

The Consul having jurisdiction over the party interested will give effect to the decision of the commission.

In case of Chinese property, the Customs will proceed to estimate and settle the price, and will carry out the decision under analogous conditions.

Riparian landowners, Chinese as well as foreigners, will have the right of preference in the purchase or lease of all accretions of land in front of their properties by the deposits effected in improving the river channel. The price at which such lands may be acquired will be fixed by a commission constituted similarly to that described in the preceding paragraph, or according to the case, by the Custom authorities.

ARTICLE IX.—The Chinese Government takes upon itself the whole of the expense of the river improvement, without levying any tax or contribution either upon riparian property or upon trade or navigation.

Article X.—China specifies, and gives as guarantee for the total expense

of the river improvement works, the whole of the duties on opium of Szechuen and of Soochoufu in Kiangsu. In conformity with the provisions of the Protocol of 1901, she will devote annually to these works, and for twenty years, the sum of 460,000 Haikuan taels.

If during the course of any year after commencement of the works, the purchase of material or machines, etc., should necessitate exceptional expenditure, China, in order to meet it, may raise a loan by means of bonds secured on the revenue derived from the above-mentioned opium duties.

For the amortisation and the service of this loan as well as for expenses of all kinds connected with the execution of the works or with the maintenance of the works already completed, China will furnish annually a minimum of 460,000 Haikuan taels.

The provincial authorities concerned will remit this sum by equal monthly payments into the hands of the Taotai and Commissioner of Customs at Shanghai.

Should the revenues indicated become insufficient, the Chinese Government must provide the sum specified from other sources.

ARTICLE XI.—If the works should not be prosecuted with diligence, care, and economy, the Consular Body, acting upon a majority of votes, may notify the Taotai and the Commissioner of Customs of the fact and request them to instruct the engineer to take the necessary remedial measures: should the execution of the works continue to be unsatisfactory, the Consular Body may, in the same way, recommend the dismissal of the engineer as well as the selection and appointment of another in the manner set forth in Article II.

In case the Taotai and the Commissioner of Customs at Shanghai should not act upon these representations, the Consular Body may lay the matter before the representatives of the Powers interested.

ARTICLE XII.—When the present articles have been discussed, agreed upon and signed, the regulations contained in paragraph B of Article XI, and in Annex 17 of the Protocol of 1901, shall be suspended, but, if China should fail to furnish annually sufficient funds, in accordance with this new agreement, in such manner that the execution of the works should be thereby impeded, or, should she omit to conform to any other essential stipulation of the present arrangement, the original provisions of the Protocol of 1901 and of Annex 17 thereto, will immediately come again into force.

Peking, September 27th, 1905.

A. VON MUMM	[L.S.]	
A. VON ROSTHORN	[L.S.]	
E. DE GAIFFIER	[L.S.]	
MANUEL DE CARCER	[L.S.]	
W. W. ROCKHILL	[L.S.]	[Signature of
G. DUBAIL	[L.S.]	Prince Ch'ing.]
ERNEST SATOW	[L.S.]	
C, BAROLI	[L.S.]	
Y. UCHIDA	[L.S.]	
A. J. CITTERS	[L.S.]	[Seal of the
G. KOZAKOW	[L.S.]	Wai-Wu-Pu.]

NUMBER 1905/11.

GREAT BRITAIN (British & Chinese Corporation, Limited, Pekin Syndicate, Limited, Yangtze Valley Company, Limited, and Chinese Central Railways, Limited) AND FRANCE (Banque de l'Indo-Chine, etc.)

Agreement in regard to the construction of certain railways.—October 2, 1905.*

Memorandum of agreement made the 2nd day of October 1905 Between Carl Meyer of 4 & 5 King William Street in the City of London on behalf of a body of English capitalists consisting of the British and Chinese Corporation Limited, the Pekin Syndicate Limited and the Yangtze Valley Company Limited (who with their successors and assigns are hereinafter called "the British Group") of the first part Stanislas Simon of 15 bis Rue Laffitte Paris in the Republic of France on behalf of a body of French capitalists consisting of the Banque de l'Indo-Chine, the Comptoir Nationale d'Escompte de Paris, the Société Générale, the Régie Générale de Chemins de Fer and Messieurs N. J. & S. Bardac (who with their successors and assigns are hereinafter called "the French Group") of the second part and the Chinese Central Railways Limited (hereinafter called "the Company") of the third part. Whereas the Company was registered as a Company with limited liability under the Imperial British Companies Acts 1862 to 1900 on the 7th January 1904. And whereas the said Company was formed by two of the parties forming the British Group for the purpose of acquiring and dealing with concessions and other rights in connection with railways in China and elsewhere and for other purposes mentioned in the Memorandum of Association of the Company. And whereas there have been issued to the British Group 50,000 shares of £1 each on which the sum of 8s. per share has been called and paid up. And whereas the Company is at present entitled to the benefit of two agreements short particulars whereof are set forth in the schedule hereto and which refer to Railways proposed to be constructed from Pukou to Tientsin and from Pukou to Sinyang respectively. And whereas the Company has been for some time past negotiating to obtain a concession and other rights in connection with a Railway from the Hankow-Sinyang District to Chengtu in the province of Szechuen and the French Group have been for some time past negotiating to obtain a concession and other rights in connection with a Railway from the Hankow-Sinyang District to Chengtu and they have thereby come into competition with each other. And

* Text as printed in *F. E. Review,* vol. 10, p. 305.

In connection with this agreement see the Anglo-German bankers' agreement of September 2, 1898 (attached to the Agreement between Germany and Great Britain defining their mutual policy in China, October 16, 1900, No. 1900/5, *ante*); and the agreement among the British & Chinese Corporation, Chinese Central Railways, Banque de l'Indo-Chine, Deutsch-Chinesische Eisenbahn Gesellschaft, and "American Group," November 10, 1910 (No. 1910/5, *post*).

See also the Tientsin-Pukow Railway Loan Agreement of January 13, 1908 (No. 1908/1, *post*), the Hukuang Railway Loan Agreement of May 20, 1911 (No. 1911/5, *post*), and the Pukow-Sinyang Railway Loan Agreement of November 14, 1913 (No. 1913/12, *post*).

whereas for the purpose of putting an end to such competition the Company and the French Group have agreed to associate themselves together in the manner and on the terms hereinafter appearing. And whereas it is an essential term of the agreement that the British Group and the French Group shall so far as regards matters within the scope of the Company's objects do all in their power to oppose and defeat all competition with the Company. Now these presents witness that it is hereby agreed by and between the parties hereto as follows:

1. The capital of the Company shall be forthwith increased by the creation of 1,000 Deferred Shares of £1 each which shall be entitled to receive between them one-half the surplus profits of each year (which the Directors may determine to divide) after there shall have been paid by way of dividend or bonus to the holders of the shares other than the Deferred Shares a sum equal to the nominal amount of such shares and also to rank *pari passu* in any return of capital in a winding-up or otherwise until the full amount paid up on all the shares of the Company for the time being issued shall have been returned and thereafter to receive one-half of any surplus assets and on the terms that each deferred share shall upon a poll confer 100 votes in respect thereof upon the holder thereof.

2. Of the said deferred shares 550 numbered 1 to 550 inclusive shall be forthwith allotted to the British Group and the remaining 450 numbered 551 to 1,000 inclusive shall be issued to the French Group. All the shares so allotted shall be paid up in cash at once.

3. There shall also be allotted in the proportions below mentioned to the French Group or to persons nominated by them whose pecuniary responsibility shall be undoubted the remaining 50,000 shares of the original share capital and there shall be forthwith called and paid up on each such share the sum of 8s. and all calls thereafter made on the said shares shall be paid in due course. Of the said 50,000 shares 7,500 shall be allotted to the Compagnie Internationale d'Orient or their nominees (hereinafter called the Belgian Group) and 2,500 shares out of such 7,500 shall be transfered or the benefit thereof made over to the Yangtze Valley Company Limited on such terms and conditions as the British Group shall think fit. Of the 50,000 shares held by the British Group or their nominees 5,000 have been already transferred to the Belgian Group and in the event of certain American capitalists to be approved of by the British Group (hereinafter referred to as "the American Group") agreeing within twelve months from the date hereof as to which time shall be of the essence of the contract to accept such participation but not a smaller one in the Company the British Group shall transfer or make over the benefit of a further 7,500 shares out of their 50,000 shares to the American Group but only upon such terms and conditions as the British Group shall think fit and in the event of the American Group not agreeing within the time aforesaid to participate as aforesaid the British Group shall transfer 2,500 out of the said 7,500 shares to the French Group and shall retain the remaining 5,000 shares for themselves so that in the event of the American Group not participating the said 100,000 shares will be held as to 45,000 by the British Group or their nominees as to 45,000 by the French Group or their nominees and as to 10,000 by the Belgian Group or their nominees. None of the said 100,000 shares shall save as aforesaid be sold transferred mortgaged or otherwise dealt with without the consent of the British and

French Groups for a period of five years from the date hereof and before the transfer of the shares aforesaid to the Belgian and American Groups agreements to the like effect to this Clause shall be entered into by them and by the Belgian Group also relating to the shares already transferred to them as aforesaid.

4. The number of Directors of the Company shall be increased to 18 of whom 9 shall be from time to time appointed by the holders of the 550 deferred shares numbered 1 to 550 inclusive or of a majority of them and the remaining 9 shall be from time to time appointed by the holders of the remaining 450 deferred shares numbered 551 to 1000 inclusive or of a majority of them.

5. The 9 Directors from time to time appointed by the holders of the said 550 Deferred Shares shall be appointed a permanent committee of the Board sitting in London and the 9 Directors from time to time appointed by the holders of the said 450 Deferred Shares shall be appointed a permanent committee of the board sitting in Paris, but all resolutions of the said Committees in London and Paris shall be subject in all respects to the control of the Board of Directors of the Company and to all resolutions of the Board affirming disaffirming or otherwise dealing with the same directly or indirectly.

6. The Chairman of the Board and also any person temporarily appointed to preside in his absence at a meeting of the Board or of the Company shall be a natural-born or naturalized British subject and be from time to time elected by the Directors appointed by the holders of the said 550 deferred shares out of the directors appointed by the holders of such shares and such Chairman or other person shall in addition to any votes he may already possess have a casting vote at such meeting of the Board and of the Company. Meetings of the Board shall be held in London or in Paris as may be determined by the Board. The General Meetings of the Company shall be held in London. The Chairman of the Paris Committee shall be appointed by the members of such Committee and the Chairman of the London Committee shall be the Chairman of the Board of Directors of the Company.

7. The French Group shall forthwith on the execution hereof vest in the Company the benefit of all negotiations entered into by or on its behalf in regard to the said concessions and rights in competition with the British Group and all surveys made in connection therewith and shall give to the company all documents and information in its possession relating thereto and the Company shall thereupon repay to the French Group such a sum as in the opinion of the Board of Directors of the Company shall represent the amount of the expenses incurred by the French Group therein and properly attributable thereto.

8. The engineers and other European employés engaged upon the said railway from Pukou to Chengtu and of each railway that may be formed or controlled by the Company (other than the said railway from Pukou to Tientsin) shall so far as possible be in equal proportions of British and French nationalities and all orders for materials rolling stock and plant and all contracts for construction of the said railways (other than as aforesaid) shall be divided in equal proportions between British and French manufacturers and contractors.

9. It shall also be an essential term of the contract that no change shall be made in the character or political status of the Company or of any railways formed or controlled by the Company. All concessions and other like rights and

privileges obtained by or for the Company shall be taken in the name of the Company.

10. All companies that may be formed by or under the auspices of the Company or in connection with any railways or other concerns in which it is interested shall be Chinese Companies. If that should appear undesirable the said Companies shall be of the same character as the Company and similar provisions to those herein contained in relation to the political character and status of the Company shall apply to each company so formed.

11. The British and French Groups shall respectively agree that so long as they hold any shares in the Company respectively they will respectively use their best endeavors to oppose and defeat any schemes competing with the Company's main business.

12. The voting power of the British and French Groups and of their nominees in respect of the shares of the Company for the time being held by them or on their behalf shall be used against and shall not be used in favor of any resolutions which may tend to contravene the provisions of this present contract and the Directors of the Company shall be authorised to disregard all votes given in contravention of this clause.

13. No share shall be transferred out of the names of the British French Belgian or American Group or their nominees to any companies or persons except upon the terms that such companies or persons shall bind themselves by the terms of this agreement and the Board shall refuse to register all transfers made in contravention of this agreement.

14. The Articles of Association of the Company shall be altered in such manner as to give effect to the provisions of this agreement.

In witness whereof the said parties to these presents have hereunto set their hands the day and year first above written.

THE SCHEDULE ABOVE REFERRED TO.

6th January, 1899.—Preliminary Agreement of this date made between His Excellency, Sheng Director-General of the Imperial Chinese Railway Administration, acting under the authority of the Tsung-li Yamen of the one part, and the British firm of Jardine Matheson & Co., for themselves and on behalf of the Hongkong and Shanghai Banking Corporation, of the other part, jointly representing a British Syndicate adopting the terms of the Preliminary Agreement signed by the above mentioned contracting parties on the 13th day of May, 1898,† for the financing constructing and working of a railway from Shanghai to Nanking as a Preliminary Agreement for the construction and working of a railway from Pukou to Sinyang in the provinces of Kiangsu Nganhui and Honan.

18th May, 1899.—An Agreement of this date ‡ made between their Excellencies Hsu and Chang duly authorized to act on behalf of the Imperial Government

† Printed as an annex to the Shanghai-Nanking Railway Loan agreement of July 9, 1903 (No. 1903/2, *ante*).

‡ Printed as an annex to the Tientsin-Pukow Railway Loan agreement of January 13, 1908 (No. 1908/1, *post*).

of China of the one part and (A) The Deutsch-Asiatische Bank (B) the Hongkong and Shanghai Banking Corporation for themselves and on behalf of Messieurs Jardine Matheson & Co. as joint Agents for the British and Chinese Corporation Limited thereinafter called "the Syndicate" for the provision jointly by the Deutsch-Asiatische Bank and the British and Chinese Corporation of a loan and for the construction and working of a railway from Tientsin to the Yangtze Kiang.

(Signed) CARL MEYER.

Witness to the signature of Carl Meyer on behalf of the British Group
WALTER S. HENDERSON,
Solr., 31 Lombard Street, London.

(Signed) S. SIMON.

Witness to the signature of Stanislas Simon on behalf of the French Group

(Signed) THO. GILBERT,
Secretary, Chinese Central Railways.

Witness to the signature of Thomas Gilbert for and on behalf of the Chinese Central Railways Limited,
WALTER S. HENDERSON,
Solr., 31 Lombard Street, London.

NUMBER 1905/12.

FRANCE AND THE UNITED STATES.

Exchange of notes in regard to the reciprocal protection of trade-marks in China.—October 3, 1905.*

AMERICAN LEGATION,
Peking, China, October 3, 1905.

MR. MINISTER AND DEAR COLLEAGUE: The Government of the United States being desirous of reaching an understanding with the Government of the French Republic for the reciprocal protection against infringement in China by citizens of our respective nations of trade marks duly registered in the United States and France, I am authorized, by the Secretary of State of the United States, to inform you that effectual provision exists in American Consular Courts in China for the trial and punishment of all persons subject to the jurisdiction of the United States who may be charged with and found guilty of infringing in any way trade marks

* Texts (and translation) as printed in *U. S. Treaty Series* (No Number). Printed also in *Malloy*, p. 545.
See also the Exchange of notes in regard to the reciprocal protection of French and American copyrights in China, December 27, 1911 (No. 1911/14, *post*).

of persons subject to the jurisdiction of France which have been duly registered in the United States.

I beg that you will kindly inform me whether American citizens are entitled to the same legal remedies in the Consular Courts of France in China as regards the protection from infringement of their trade marks duly registered in France.

I have the honor to be, My dear Colleague, Your obedient servant,

W. W. ROCKHILL.

His Excellency Monsieur DUBAIL,

etc., etc., etc.

[Translation.]

LEGATION OF THE FRENCH REPUBLIC IN CHINA,

Peking, October 3, 1905.

MR. MINISTER AND DEAR COLLEAGUE: By your despatch of this day Your Excellency has been pleased to inform me that the Government of the United States of America being desirous of reaching an understanding with the Government of the Republic for the reciprocal protection of trade marks, you have been authorized to state to me that the American Consular Courts in China are competent in all matters relating to the counterfeiting of trade marks by persons under the jurisdiction of the United States.

Any complaint made by a person under French jurisdiction to an American Consular Court for the purpose of securing against persons under American jurisdiction protection for a trade mark duly registered in the United States of America will be heard by said courts in first instance and on appeal by the competent courts.

I have the honor to confirm to Your Excellency this declaration which responds to the request I had made you.

So as to perfect the understanding thus arrived at by both countries I am authorized to state on my side to Your Excellency that the Government of the Republic will willingly insure in China protection for duly registered American trade marks which may be counterfeited by persons under French jurisdiction.

To that end French Consular Courts in China, for complaints in first instance, and the Court of Saigon, for appeals, will be competent to hear all such cases presented by persons under American jurisdiction.

Please accept, Mr. Minister and dear Colleague, the assurance of my highest consideration.

G. DUBAIL.

PEKING, *January 22, 1906.*

MR. MINISTER AND DEAR COLLEAGUE: In connection with the notes which I had the honor to exchange with Your Excellency on October 3, 1905, looking to the reciprocal protection from infringement by our respective nationals in China

of trade marks belonging to them I duly transmitted copies of the same to my Government.

In reply the Secretary of State has called to my attention, as possibly misleading, the use made in my note to you of the word "punishment" by our Consular Courts in China of American citizens who may have infringed in China trade marks the property of persons under the jurisdiction of France.

In view of the fact that there is no statute in the United States making the infringement, conterfeiting, etc. of a trade mark a criminal offense, and that effectual provision exists by a civil action for damages by the owner of a trade mark, my Government is of the opinion that the word "punishment" should be understood to refer to a civil action only, and not to a criminal procedure, as might be inferred from the use of the word in question without the present explanation added thereto.

I beg leave to call Your Excellency's attention to the above provision of our law, so that nothing in my note of October 3, last, may be construed as conflicting therewith.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

W. W. Rockhill.

To His Excellency M. Dubail,
etc., etc., etc.

NUMBER 1905/13.

THE NETHERLANDS AND THE UNITED STATES.

Exchange of notes in regard to the reciprocal protection of trade-marks in China.—October 23, 1905.*

[*American Legation, Peking,*] *October 23, 1905.*

Mr. Minister and dear Colleague: The Government of the United States being desirous of reaching an understanding with the Government of the Netherlands for the reciprocal protection against infringement in China by citizens of our respective nations of trade marks duly registered in the United States and the Netherlands, I am authorized by the Secretary of State of the United States to inform you that effectual provision exists in American Consular Courts in China for the trial and punishment of all persons subject to the jurisdiction of the United States who may be charged with and found guilty of infringing in any way trade marks of persons subject to the jurisdiction of the Netherlands which have been duly registered in the United States.

* Text (and translation) as printed in *U. S. Treaty Series* (No Number). Printed also in *Malloy*, p. 273.

I beg that you will kindly inform me whether American citizens are entitled to the same legal remedies in the Consular Courts of the Netherlands in China as regards the protection from infringement of their trade marks duly registered in the Netherlands.

I have the honor to be, My dear Colleague, Your obedient servant,

W. W. ROCKHILL.

His Excellency, Monsieur VAN CITTERS,
etc., etc., etc.

[Translation.]

ROYAL LEGATION OF THE NETHERLANDS,
Peking, China, October 23, 1905.

MR. MINISTER AND DEAR COLLEAGUE: Under date of the 23d of October, 1905, Your Excellency was pleased to inform me by your note numbered 173 that the Government of the United States of America was desirous of reaching an agreement with the Government of the Netherlands concerning the reciprocal protection of trade marks in China. You added that you had been authorized to declare that the American Consular Courts in China had jurisdiction in all matters concerning the infringement of trade marks by persons under the jurisdiction of the United States, and that consequently complaints made by any person subject to the jurisdiction of the Consular Courts of the Netherlands, in China, to an American Consular Court, for the purpose of securing from persons subject to the jurisdiction of the United States protection for trade marks duly registered in the United States of America, would be tried before said courts in First Instance and on appeal by the competent Courts.

In reply to this communication I have the honor to inform Your Excellency that my Government accepts with pleasure the above agreement and has directed me to do so by the present note.

The Minister of Foreign Affairs at The Hague has furthermore authorized me to state on my part that the laws of the Netherlands protect duly registered trade marks regardless of the nationality of the owner, and that, not only when infringements have been committed in the country itself, but when they have been committed in a country subject to exterritoriality, as in China.

Consequently the Consular Courts of the Netherlands in China will take cognisance in First Instance, and the Courts of Justice in Amsterdam and Batavia on Appeal, of any complaints made to them on this subject by persons subject to the jurisdiction of the United States.

I avail myself of this opportunity to add that for the object of putting the above agreement into effect I have written to the Consular Officials of the Netherlands in China, giving them the necessary instructions, and I would be pleased if you would inform me what action you have taken to this end.

I avail myself of this opportunity to renew to Your Excellency the assurances of my high consideration.

A. J. CITTERS.

His Excellency, W. W. ROCKHILL,
etc., etc., etc.

PEKING, *January 22, 1906.*

MR. MINISTER AND DEAR COLLEAGUE: In connection with the notes which I had the honor to exchange with Your Excellency on October 23, 1905, looking to the reciprocal protection from infringement by our respective nationals in China of trade marks belonging to them I duly transmitted copies of the same to my Government.

In reply the Secretary of State has called to my attention, as possibly misleading, the use made in my note to you of the word "punishment" by our Consular Courts in China of American citizens who may have infringed in China trade marks the property of persons under the jurisdiction of The Netherlands.

In view of the fact that there is no statute in the United States making the infringement, counterfeiting, etc. of a trade mark a criminal offense, and that effectual provision exists by a civil action for damages by the owner of a trade mark, my Government is of the opinion that the word "punishment" should be understood to refer to a civil action only, and not to a criminal procedure, as might be inferred from the use of the word in question without the present explanation added thereto.

I beg leave to call Your Excellency's attention to the above provision of our law, so that nothing in my note of October 23rd, last, may be construed as conflicting therewith.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

W. W. ROCKHILL.

To His Excellency A. J. VAN CITTERS,
etc., etc., etc.

NUMBER 1905/14.

BELGIUM AND THE UNITED STATES.

Exchange of notes in regard to the reciprocal protection of trade-marks in China.—November 27, 1905.*

[*American Legation, Peking,*] *November 27, 1905.*

MR. CHARGÉ D'AFFAIRES AND DEAR COLLEAGUE: The Government of the United States being desirous of reaching an understanding with the Government of Belgium for the reciprocal protection against infringement in China by citizens of our respective nations of trade marks duly registered in the United States and Belgium, I am authorized by the Secretary of State of the United States to inform you that effectual provision exists in American Consular Courts in China for the trial and punishment of all persons subject to the jurisdiction of the United States

* Texts (and translation) as printed in *U. S. Treaty Series* (No Number). Printed also in *Malloy*, p. 111.

who may be charged with and found guilty of infringing in any way trade marks of persons subject to the jurisdiction of Belgium which have been duly registered in the United States.

I beg that you will kindly inform me whether American citizens are entitled to the same legal remedies in the Consular Courts of Belgium in China as regards the protection from infringement of their trade marks duly registered in Belgium.

I have the honor to be, my dear Colleague, Your obedient servant,

W. W. ROCKHILL.

Mr. DE PRELLE DE LA NIEPPE,
etc., etc., etc.

[Translation.]

November 27, 1905.

MR. MINISTER: I have had the honor of receiving Your Excellency's note of this date regarding the mutual protection of Belgian and American trade marks in China.

It is stated in this communication that the Government of the United States of America has given such instructions to the American Consular Courts as are sufficient to insure the legal protection of trade marks the property of Belgian subjects which have been duly registered in the United States.

While acknowledging to Your Excellency the receipt of this communication I have the honor to inform you that the Royal Government in like manner guarantees in the Chinese Empire the protection of American trade marks duly registered in Belgium, if counterfeited by Belgian subjects.

The Royal Legation and the Consulates, Vice-Consulates and Consular Agencies in China are competent to take cognizance of actions brought before them in the matter.

I have informed our Consular representatives in China of the agreement arrived at between Belgium and the United States of America which is set forth by this interchange of correspondence between us.

I avail myself of this occasion to present to Your Excellency the assurance of my high esteem.

EDM. DE PRELLE.

His Excellency W. W. ROCKHILL,
etc., etc., etc.

PEKING, *January 22, 1906.*

MR. MINISTER AND DEAR COLLEAGUE: In connection with the notes which I had the honor to exchange with Your Excellency on November 27, 1905, looking to the reciprocal protection from infringement by our respective nationals in China of trade marks belonging to them I duly transmitted copies of the same to my Government.

In reply the Secretary of State has called to my attention, as possibly mislead-

ing, the use made in my note to you of the word "punishment" by our Consular Courts in China of American citizens who may have infringed in China trade marks the property of persons under the jurisdiction of Belgium.

In view of the fact that there is no statute in the United States making the infringement, counterfeiting, etc. of a trade mark a criminal offense, and that effectual provision exists by a civil action for damages by the owner of a trade mark, my Government is of the opinion that the word "punishment" should be understood to refer to a civil action only, and not to a criminal procedure, as might be inferred from the use of the word in question without the present explanation added thereto.

I beg leave to call Your Excellency's attention to the above provision of our law, so that nothing in my note of November 27, last, may be construed as conflicting therewith.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

W. W. Rockhill.

To His Excellency
Edmond de Prelle de la Nieppe,
etc., etc., etc.

NUMBER 1905/15.

GERMANY AND THE UNITED STATES.

Exchange of notes in regard to the reciprocal protection of trade-marks in China.—December 6, 1905.*

[*American Legation, Peking,*] *December 6, 1905.*

Mr. Minister and dear Colleague: The Government of the United States being desirous of reaching an understanding with the Government of Germany for the reciprocal protection against infringement in China by citizens and subjects of our respective nations of trade marks duly registered in the United States and Germany, I am authorized by the Secretary of State of the United States to inform you that effectual provision exists in American Consular Courts in China for the trial and punishment of all persons subject to the jurisdiction of the United States who may be charged with and found guilty of infringing in any way trade marks of persons subject to the jurisdiction of Germany which have been duly registered in the United States.

I beg that you will kindly inform me whether American citizens are entitled

* Texts (and translation) as printed in *U. S. Treaty Series* (No Number). Printed also in *Malloy*, p. 560.

to the same legal remedies in the Consular Courts of Germany in China as regards the protection from infringement of their trade marks duly registered in Germany.

I have the honor to be, Mr. Minister and dear Colleague, Your obedient servant,

W. W. Rockhill.

His Excellency, Baron von Mumm,
etc., etc., etc.

[Translation.]

Imperial German Legation,
Peking, *December 6, 1905.*

Mr. Minister: I have the honor to acknowledge the receipt of your letter of this date informing me that you have been authorized by your Government to effect with me, by an exchange of notes, an agreement for the reciprocal protection against infringement in China by citizens and subjects of our respective nations of trade marks duly registered in Germany and the United States.

You furthermore inform me that effectual provision exists in American Consular Courts in China for the trial and punishment of all persons subject to the jurisdiction of the United States who may be charged with and found guilty of infringing in any way trade marks of persons subject to the jurisdiction of Germany which have been duly registered in the United States.

I have the honor to inform you in reply that I have been authorized by the Chancellor of the German Empire to enter into this reciprocal agreement, and to state that German Consular Courts in China are empowered under the German law for the protection of trade marks of May 12th, 1894, to prosecute and punish all persons subject to their jurisdiction for infringement of trade marks the property of persons coming under the jurisdiction of the United States when duly registered in Germany.

Furthermore, for the purpose of putting this arrangement into effect, I am authorized and ready to instruct the German Consular representatives in China in accordance therewith, subject to your taking similar action.

I avail myself of this opportunity to renew the assurances of my highest consideration.

A. v. Mumm.

Hon. W. W. Rockhill,
etc., etc., etc.

Peking, *January 22, 1906.*

Mr. Minister and dear Colleague: In connection with the notes which I had the honor to exchange with Your Excellency on December 6, 1905, looking to the reciprocal protection from infringement by our respective nationals in China of trade marks belonging to them I duly transmitted copies of the same to my Government.

In reply the Secretary of State has called to my attention, as possibly misleading, the use made in my note to you of the word "punishment" by our Consular Courts in China of American citizens who may have infringed in China trade marks the property of persons under the jurisdiction of Germany.

In view of the fact that there is no statute in the United States making the infringement, counterfeiting, etc. of a trade mark a criminal offense, and that effectual provision exists by a civil action for damages by the owner of a trade mark, my Government is of the opinion that the word "punishment" should be understood to refer to a civil action only, and not to a criminal procedure, as might be inferred from the use of the word in question without the present explanation added thereto.

I beg leave to call Your Excellency's attention to the above provision of our law, so that nothing in my note of December 6th, last, may be construed as conflicting therewith.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

W. W. Rockhill.

To His Excellency Baron von Mumm,
etc., etc., etc.

NUMBER 1905/16.

DENMARK AND GREAT BRITAIN.

Exchange of notes in regard to the reciprocal protection of trade-marks in China.—December 11, 1905.*

Note of Count Raben-Levetzau to Mr. Johnstone.

Ministry for Foreign Affairs, Copenhagen, November 11, 1905.

M. le Ministre,

In asking me, in your note of August 23 last, whether the Danish tribunals in China are authorized to punish Danish subjects who may have infringed British trademarks (i.e., *marques de fabrique et de commerce Britanniques*) in China, you informed me that your Government, so soon as it may have received an affirmative reply to this question, will take the measures necessary to permit of the prosecution, before the British Consular Courts, of British subjects violating Danish trademarks (i.e., *marques de fabrique et de commerce Danoises*).

In consideration of the foregoing, I have the honor to inform you that the Danish laws relating to the protection of trademarks (i.e., *marques de fabrique et de commerce*) are generally applicable to Danish subjects in China, and that instructions have just been sent to the Consul of Denmark at Shanghai, the

* Translation from the French text as printed in *Hertslet*, p. 614.

Danish Consular Judge for all China, authorizing him to protect British trade-marks, duly registered in Denmark, against infringements by Danish subjects in China, to the same extent as Danish marks of the same character.

Begging you to report the foregoing to your Government, I allow myself to express the hope of receiving soon a note informing me of the dispatch to the British Minister at Peking of the instructions necessary to assure reciprocity, and making possible the punishment, by the British tribunals in China, of British subjects violating Danish trademarks.

I avail, etc.

(Signed) RABEN-LEVETZAU.

NOTE OF MR. CHILTON TO COUNT RABEN-LEVETZAU.

Copenhagen, December 11, 1905.

M. LE MINISTRE,

With reference to your Excellency's note to Sir A. Johnstone of the 11th ultimo, respecting the protection of British trademarks, duly registered in Denmark, against infraction by Danish subjects in China, I have the honor to inform your Excellency that His Majesty's Minister at Peking has been requested to issue the necessary instructions to His Majesty's Consular Officers in China in order that similar protection may be extended to Danish trademarks should they be infringed by British subjects.

I avail, etc.

(Signed) H. G. CHILTON.

NUMBER 1905/17.

ITALY AND THE UNITED STATES.

Exchange of notes in regard to the reciprocal protection of trade-marks in China.—December 18, 1905.*

[*American Legation, Peking,*] *December 18, 1905.*

MR. MINISTER AND DEAR COLLEAGUE: The Government of the United States being desirous of reaching an understanding with the Government of Italy for the reciprocal protection against infringement in China by citizens and subjects of our respective nations of trade marks duly registered in the United States and Italy, I am authorized by the Secretary of State of the United States to inform you that effectual provision exists in American Consular Courts in China for the trial and punishment of all persons subject to the jurisdiction of the

* Texts (and translation) as printed in *U. S. Treaty Series* (No Number). Printed also in *Malloy*, p. 991.

United States who may be charged with and found guilty of infringing in any way trade marks of persons subject to the jurisdiction of Italy which have been duly registered in the United States.

I beg that you will kindly inform me whether American citizens are entitled to the same legal remedies in the Consular Courts of Italy in China as regards the protection from infringement of their trade marks duly registered in Italy.

I have the honor to be, Mr. Minister and dear Colleague, Your obedient servant,

W. W. ROCKHILL.

His Excellency, Monsieur CARLO BAROLI,
etc., etc., etc.

[Translation.]

PEKING, *December 18, 1905.*

MR. MINISTER: I have the honor to acknowledge the receipt of your note of to-day's date by which you inform me that you have been authorized by your Government to conclude an arrangement with the Italian Legation by means of an exchange of notes, for the reciprocal protection in China of American and Italian trade marks, and that hereafter infringements of trade marks the property of Italian subjects and duly registered in the United States by persons subject to the jurisdiction of American Consular Courts in China will be tried by the latter according to law.

Having been duly authorized thereto by the Royal Government, I am pleased to inform you that hereafter infringements of trade marks of American citizens, duly registered in Italy, by persons subject to the jurisdiction of the Italian Consular Courts in China will in first instance be tried according to the law by said Courts and on appeal by the Royal Court of Appeals of Ancona.

Please accept, etc., etc.

C. BAROLI.

PEKING, *January 22, 1906.*

MR. MINISTER AND DEAR COLLEAGUE: In connection with the notes which I had the honor to exchange with Your Excellency on December 18, 1905, looking to the reciprocal protection from infringement by our respective nationals in China of trade marks belonging to them I duly transmitted copies of the same to my Government.

In reply the Secretary of State has called to my attention, as possibly misleading, the use made in my note to you of the word "punishment" by our Consular Courts in China of American citizens who may have infringed in China trade marks the property of persons under the jurisdiction of Italy.

In view of the fact that there is no statute in the United States making the infringement, counterfeiting, etc. of a trade mark a criminal offense, and that effectual provision exists by a civil action for damages by the owner of a trade

mark, my Government is of the opinion that the word "punishment" should be understood to refer to a civil action only, and not to a criminal procedure, as might be inferred from the use of the word in question without the present explanation added thereto.

I beg leave to call Your Excellency's attention to the above provision of our law, so that nothing in my note of December 18, last, may be construed as conflicting therewith.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

W. W. ROCKHILL.

To His Excellency CARLO BAROLI,
etc., etc., etc.

NUMBER 1905/18.

JAPAN AND CHINA.

Treaty and additional agreement relating to Manchuria.—December 22, 1905.*

His Majesty the Emperor of Japan and His Majesty the Emperor of China, desiring to adjust certain matters of common concern growing out of the Treaty of Peace between Japan and Russia of September 5th, 1905, have resolved to conclude a Treaty with that object in view and have for that purpose named Their Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan:

Baron Komura Jutaro, Jusammi, Grand Cordon of the Imperial Order of the Rising Sun, Minister for Foreign Affairs and Special Ambassador of His Majesty, and

Uchida Yasuya, Jushii, Second Class of the Imperial Order of the Rising Sun, His Majesty's Envoy Extraordinary and Minister Plenipotentiary; and

His Majesty the Emperor of China:

Prince Ching, Presiding Minister for Foreign Affairs, Councillor of State and Plenipotentiary of His Majesty,

Chu Hung-chi, Minister for Foreign Affairs, Councillor of State and Plenipotentiary of His Majesty, and

Yuan Shih-kai, Viceroy of the Province of Chihli, Junior Guardian of the

* Japanese official translation. Printed also in *Hertslet*, p. 391; *Customs*, Vol. II, p. 636; *Recueil*, p. 754; *For. Rel.*, 1906, p. 995.

In connection with this Treaty and additional agreement, see also the Russo-Japanese treaty of peace, signed at Portsmouth, September 5, 1905 (No. 1905/8, *ante*); also the Russo-Japanese conventions of July 30, 1907 (No. 1907/11, *post*), July 4, 1910 (No. 1910/1, *post*), and July 3, 1916 (No. 1916/9, *post*) see also the Sino-Japanese treaty and Exchanges of notes respecting South Manchuria and Eastern Inner Mongolia, May 25, 1915 (No. 1915/8, *post*). See also Note 1 to this document, *post*, p. 554.

Heir-Apparent, Minister Superintendent of Trade for the Northern Ports and Plenipotentiary of His Majesty;

Who, after having exchanged their full powers which were found to be in good and due form, have agreed upon and concluded the following Articles:

ARTICLE I.—The Imperial Chinese Government consent to all the transfers and assignments made by Russia to Japan by Articles V and VI of the Treaty of Peace above mentioned.

ARTICLE II.—The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation, they will, so far as circumstances permit, conform to the original agreements concluded between China and Russia. In case any question arises in the future on these subjects, the Japanese Government will decide it in consultation with the Chinese Government.

ARTICLE III.—The present Treaty shall come into full force from the date of signature. It shall be ratified by Their Majesties the Emperor of Japan and the Emperor of China and the ratifications shall be exchanged at Peking as soon as possible, and not later than two months from the present date.†

In witness whereof, the respective Plenipotentiaries have signed this Treaty in duplicate in the Japanese and Chinese languages and have thereto affixed their seals.

Done at Peking, this twenty-second day of the twelfth month of the thirty-eighth year of *Meiji*, corresponding to the twenty-sixth day of the eleventh moon of the thirty-first year of Kuang Hsü.

(Signed) BARON KOMURA JUTARO, [L. S.]
Jusammi, Grand Cordon of the Imperial Order of the Rising Sun, Minister for Foreign Affairs and Special Ambassador of His Majesty the Emperor of Japan.

(Signed) UCHIDA YASUYA, [L. S.]
Jushii, Second Class of the Imperial Order of the Rising Sun, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan.

(Signed) PRINCE CHING, [L. S.]
Presiding Minister for Foreign Affairs, Councillor of State and Plenipotentiary of His Majesty the Emperor of China.

(Signed) CHU HUNG-CHI, [L. S.]
Minister for Foreign Affairs, Councillor of State and Plenipotentiary of His Majesty the Emperor of China.

(Signed) YUAN SHIH-KAI, [L. S.]
Viceroy of the Province of Chihli, Junior Guardian of the Heir-Apparent, Minister Superintendent of Trade for the Northern Ports and Plenipotentiary of His Majesty the Emperor of China.

† Ratifications were exchanged at Peking, January 23, 1906.

ADDITIONAL AGREEMENT.

The Governments of Japan and China, with a view to regulate, for their guidance, certain questions in which they are both interested in Manchuria, in addition to those provided for in the Treaty signed this day, have agreed as follows:

ARTICLE I.—The Imperial Chinese Government agree that as soon as possible after the evacuation of Manchuria by the Japanese and Russian forces, the following cities and towns in Manchuria will be opened by China herself as places of international residence and trade:

In the Province of Shengking:

Fenghwangcheng; Liaoyang; Hsinmintun; Tiehling; Tungkiangtzu and Fakumen.

In the Province of Kirin:

Changchun (Kuanchengtzu); Kirin; Harbin; Ninguta; Hunchun and Sanhsing.

In the Province of Heilungkiang:

Tsitsihar; Hailar; Aihun and Manchuli.‡

ARTICLE II.—In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are agreed to between China and Russia, consent to take similar steps accordingly. When tranquillity shall have been reestablished in Manchuria and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia.

ARTICLE III.—The Imperial Japanese Government, immediately upon the withdrawal of their troops from any regions in Manchuria, shall notify the Imperial Chinese Government of the regions thus evacuated, and even within the period stipulated for the withdrawal of troops in the Additional Articles of the Treaty of Peace between Japan and Russia, the Chinese Government may send necessary troops to the evacuated regions of which they have been already notified as above mentioned, for the purpose of maintaining order and tranquillity in those regions. If, in the regions from which Japanese troops have not yet been withdrawn, any villages are disturbed or damaged by native bandits, the Chinese local authorities may also dispatch a suitable military force for the purpose of capturing or dispersing those bandits. Such troops, however, shall not proceed within twenty Chinese *li* from the boundary of the territory where Japanese troops are stationed.

ARTICLE IV.—The Imperial Government of Japan engage that Chinese

‡ On September 10, 1906, Tiehling, Tungkiangtzu and Fakumen were declared open by China. On October 8, 1906, Hsinmintun was opened; on January 14, 1907, Changchun, Kirin, Harbin and Tsitsihar. On June 28, 1907, Fenghwangcheng, Liaoyang, Ninguta, Hunchun, Sanhsing, Hailar, and Aihun were opened.

See the Experimental Regulations for the collection of duty on goods shipped to the new ports in Manchuria, November 19, 1907 (No. 1907/19, *post*).

public and private property in Manchuria, which they have occupied or expropriated on account of military necessity, shall be restored at the time the Japanese troops are withdrawn from Manchuria and that such property as is no longer required for military purposes shall be restored even before such withdrawal.§

ARTICLE V.—The Imperial Chinese Government engage to take all necessary measures to protect fully and completely the grounds in Manchuria in which the tombs and monuments of the Japanese officers and soldiers who were killed in war are located.

ARTICLE VI.—The Imperial Chinese Government agree that Japan has the right to maintain and work the military railway line constructed between Antung and Mukden and to improve the said line so as to make it fit for the conveyance of commercial and industrial goods of all nations.‖ The term for which such right is conceded is fifteen years from the date of the completion of the improvements above provided for. The work of such improvements is to be completed within two years, exclusive of a period of twelve months during which it will have to be delayed owing to the necessity of using the existing line for the withdrawal of troops. The term of the concession above mentioned is therefore to expire in the 49th year of Kuang Hsü.¶ At the expiration of that term, the said railway shall be sold to China at a price to be determined by appraisement of all its properties by a foreign expert who will be selected by both parties. The conveyance by the railway of the troops and munitions of war of the Chinese Government prior to such sale shall be dealt with in accordance with the regulations of the Eastern Chinese Railway.* Regarding the manner in which the improvements of the railway are to be effected, it is agreed that the person undertaking the work on behalf of Japan shall consult with the Commissioner dispatched for the purpose by China. The Chinese Government will also appoint a Commissioner to look after the business relating to the railway as is provided in the Agreement relating to the Eastern Chinese Railway. It is further agreed that detailed regulations shall be concluded regarding the tariffs for the carriage by the railway of the public and private goods of China.

ARTICLE VII.—The Governments of Japan and China, with a view to promote and facilitate intercourse and traffic, will conclude, as soon as possible, a separate convention for the regulation of connecting services between the railway lines in South Manchuria and all the other railway lines in China.†

ARTICLE VIII.—The Imperial Chinese Government engage that all materials required for the railways in South Manchuria shall be exempt from all duties, taxes and *likin*.

ARTICLE IX.—The methods of laying out the Japanese Settlement at Yingkou in the Province of Shengking, which has already been opened to trade, and at

* Under date of October 30, 1911, an agreement on this subject was concluded, of which the translation is given in Note 2 to this document, *post*, p. 574.

† See the agreement of September 4, 1909 (No. 1909/9, *post*), Art. V.

§ See, in connection with Articles II, III and IV, the Agreement for the rendition of Yingkou, December 5, 1906 (No. 1906/10, *post*).

‖ See Memorandum concerning the reconstruction of the Antung-Mukden Railway, August 19, 1909 (No. 1909/8, *post*); and the Sino-Japanese agreement of September 4, 1909, Art. 4 (No. 1909/9, *post*).

¶ *i.e.*, 1923-4. See, however, the exchange of Notes between Japan and China, May 25, 1915, concerning the extension of the terms of this and other leases (No. 1915/8; *post*, p. 1221).

Antung and Mukden in the same Province, which are still unopen although stipulated to be opened, shall be separately arranged and determined by officials of Japan and China.

ARTICLE X.—The Imperial Chinese Government agree that a joint-stock company of forestry composed of Japanese and Chinese capitalists shall be organized for the exploitation of the forests in the regions on the right bank of the River Yalu and that a detailed agreement shall be concluded in which the area and term of the concession as well as the organization of the company and all regulations concerning the joint work of exploitation shall be provided for.‡ The Japanese and Chinese shareholders shall share equally in the profits of the undertaking.

ARTICLE XI.—The Governments of Japan and China engage that in all that relates to frontier trade between Manchuria and Corea most favoured nation treatment shall be reciprocally extended.§

ARTICLE XII.—The Governments of Japan and China engage that in all matters dealt with in the Treaty signed this day or in the present Agreement the most favourable treatment shall be reciprocally extended.

The present Agreement shall take effect from the date of signature. When the Treaty signed this day is ratified, this Agreement shall also be considered as approved.

In witness whereof, the Undersigned, duly authorized by their respective Governments, have signed the present Agreement in duplicate in the Japanese and Chinese languages and have thereto affixed their seals.

Done at Peking, this 22nd day of the 12th month of the 38th year of Meiji, corresponding to the 26th day of the 11th moon of the 31st year of Kuang Hsü.

(Signed) BARON KOMURA JUTARO, [L. S.]
Jusammi, Grand Cordon of the Imperial Order of the Rising Sun, Minister for Foreign Affairs and Special Ambassador of His Majesty the Emperor of Japan.

(Signed) UCHIDA YASUYA, [L. S.]
Jushii, Second Class of the Imperial Order of the Rising Sun, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan.

(Signed) PRINCE CHING, [L. S.]
Presiding Minister for Foreign Affairs, Councillor of State and Plenipotentiary of His Majesty the Emperor of China.

(Signed) CHU HUNG-CHI, [L. S.]
Minister for Foreign Affairs, Councillor of State and Plenipotentiary of His Majesty the Emperor of China.

(Signed) YUAN SHIH-KAI, [L. S.]
Viceroy of the Province of Chihli, Junior Guardian of the Heir-Apparent, Minister Superintendent of Trade for the Northern Ports and Plenipotentiary of His Majesty the Emperor of China.

‡ See the agreement of May 14, 1908 (No. 1908/8, *post*), and regulations dated September 11, 1908.

§ See the arrangement relating to the reduction of customs duties on goods transported by the Antung-Mukden Railway, May 29, 1913 (No. 1913/7, *post*).

Note 1.

It has been stated that, to the treaty and additional agreement here printed, were attached certain secret protocols of which the following summary has been given:

Summary of alleged Secret Protocols to Sino-Japanese Treaty of December 22, 1905.

"Whereas the protocols of the Conference recently held between the Plenipotentiaries of Japan and China with regard to Manchuria are to be kept strictly secret in deference to the desire of the Chinese Government, only such portions of those Protocols as possess the character of executory agreements are given in the following summary:

"1. The railway between Changchun and Kirin will be constructed by China with capital to be raised by herself. She, however, agrees to borrow from Japan the insufficient amount of capital, which amount being about one-half of the total sum required. The contract concerning the loan shall, in due time, be concluded, following, *mutatis mutandis,* the loan contract entered into between the board of the Imperial Railways of North China and the Anglo-Chinese Syndicate. The term of the loan shall be twenty-five years, redeemable in yearly instalments.

"2. The military railway constructed by Japan between Mukden and Hsinmintun shall be sold to China at a price to be fairly determined in consultation by Commissioners appointed for the purpose by the two Governments. China engages to reconstruct the line, making it her own railway, and to borrow from a Japanese corporation or corporations one half of the capital required for the portion of the line east of Liao-ho for a term of eighteen years repayable in yearly instalments, and a contract shall be concluded, for the purpose following, *mutatis mutandis,* the loan contract entered into between the Board of the Imperial Railways of North China and the Anglo-Chinese Syndicate.

"All the other military railways in different localities shall be removed with the evacuation of the regions.

"3. The Chinese Government engage, for the purpose of protecting the interest of the South Manchurian Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway.

"4. China declares that she will adopt sufficient measures for securing Russia's faithful observance of the Russo-Chinese treaties with regard to the railways which Russia continues to possess in the northern part of Manchuria, and that it is her intention, in case Russia acts in contravention of such treaty stipulations, to approach her strongly with a view to have such action fully rectified.

"5. When in the future, negotiations are to be opened between Japan and Russia for regulation of the connecting railway services (Article VIII of the Treaty of Peace between Japan and Russia), Japan shall give China previous notice. China shall communicate to Russia her desire to take part in the negotiations through commissioners to be despatched by her on the occasion, and Russia consenting shall participate in such negotiations.

"6. With regard to the mines in the Province of Fengtien, appertaining to the railway, whether already worked or not, fair and detailed arrangements shall be agreed upon for mutual observance.

"7. The affairs relating to the connecting services as well as those of common concern in respect of the telegraph lines in the Province of Fengtien and the cables between Port Arthur and Yentai shall be arranged from time to time as necessity may arise in consultation between the two countries.

"8. The regulations respecting the places to be opened in Manchuria, shall be made by China herself, but the Japanese Minister at Peking must be previously consulted regarding the matter.

"9. If no objection be offered on the part of Russia respecting to the navigation of the Sungari (by Japanese vessels), China shall consent to such navigation after negotiations.

"10. The Chinese Plenipotentiaries declare that immediately after the withdrawal of the Japanese and Russian troops from Manchuria, China will proceed to take, in virtue of her sovereign right, full administrative measures to guarantee peace in that region and endeavor, by the same right, to promote good and remove evil as well as steadily to restore order, so that the residents of that region, natives and foreigners, may equally enjoy the security of life and occupation under the perfect protection of the Chinese Government. As to the means of restoring order, the Chinese Government are to take by themselves all adequate measures.

"11. While relations of intimate friendship subsisted as at the present time between China and Japan, Japan and Russia had unfortunately engaged in war and fought in the territory of China. But peace has now been reestablished and hostilities in Manchuria have ceased. And while it is undeniable that Japanese troops, before their withdrawal, have the power of exercising the rights accruing from military occupation, the Chinese Government declare that certain Japanese subjects in Manchuria have

recently been observed to sometimes interfere with the local Chinese administration and to inflict damage to public and private property of China.

"The Japanese Plenipotentiaries, considering that, should such interference and infliction of damage have been carried beyond military necessity, they are not proper acts, declare that they will communicate the purport of the above declaration of the Chinese Government to the Government of Japan, so that proper steps may be taken for controlling Japanese subjects in the Province of Fengtien and promote the friendly relations between the two nations, and also for preventing them in future, from interfering with the Chinese administration or inflicting damage to public or private property without military necessity.

"12. In regard to any public or private property of China which may have been purposely destroyed or used by Japanese subjects without any military necessity, the Governments of the two countries shall respectively make investigations and cause fair reparation to be made.

"13. When the Chinese local authorities intend to despatch troops for the purpose of subduing native bandits in the regions not yet completely evacuated by Japanese troops, they shall not fail to previously consult with the Commander of the Japanese troops stationed in those regions so that all misunderstandings may be avoided.

"14. The Japanese Plenipotentiaries declare that the Railway Guards stationed between Changchun and the boundary line of the leased territory of Port Arthur and Talien, shall not be allowed, before their withdrawal, to unreasonably interfere with the local administration of China or to proceed without permission beyond the limits of the railway.

"15. Chinese local authoritites, who are to reside at Inkou, shall be allowed, even before the withdrawal of the Japanese troops, to proceed to that place and transact their official business. The date of their departure is to be determined, as soon as possible after the definite conclusion of this Treaty, by the Japanese Minister to China in consultation with the Waiwupu. As there is still in that place a considerable number of Japanese troops, quarantine regulations as well as regulations for the prevention of contagious diseases, shall be established by the authorities of the two countries in consultation with each other so that epidemics may be avoided.

"16. The revenue of the Maritime Customs at Yingkou shall be deposited with the Yokohama Specie Bank and delivered to the Chinese local authorities at the time of evacuation. As to the revenue of the native Customs at that place and the taxes and imposts at all other places, which are to be appropriated for local expenditures, a statement of receipts and expenditures shall be delivered to the Chinese local authorities at the time of evacuation."

The exploitation of the railways in Manchuria was entrusted by the Japanese Government to the South Manchuria Railway Joint Stock Company by an imperial ordinance of June 7, 1906, of which the translation (from the Japanese text as officially promulgated) is as follows:

Japanese Imperial Ordinance sanctioning Organization of South Manchuria Railway Company.—June 7, 1906.

"We hereby sanction the organization of the South Manchuria Railway Joint Stock Company and cause the following Ordinance to be promulgated.

(Sign Manual)
(Privy Seal)

"June 7, 1906.

"(Countersigned) MARQUIS KIMMOCHI SAIONJI,
Minister President of State.

"(Countersigned) ISABURO YAMAGATA,
Minister of State for Communications.

IMPERIAL ORDINANCE NO. 142, JUNE 7, 1906.

"ARTICLE I.—The Government shall cause the organization of the South Manchuria Railway Joint Stock Company for the purpose of engaging in railway traffic in Manchuria.

"ARTICLE II.—The shares of the company shall all be registered [signed] and may be owned only by the Japanese and Chinese Governments or by subjects of Japan and China.

"ARTICLE III.—The Japanese Government may offer its Manchurian railways, and their appurtenances, and its coal-mines in Manchuria, as the capital to be furnished by the Government.

"ARTICLE IV.—The company may divide the new shares to be raised into several issues to be floated at different times, but the amount of the first issue shall not be less than one-fifth of the whole amount.

"ARTICLE V.—The first payment upon the shares need not exceed one-tenth of the value of the shares.

"ARTICLE VI.—The company shall establish its head-office at Tokio and a branch office at Dalny.

"ARTICLE VII.—The company shall have a president, a vice-president, four or more directors and from three to five inspectors.

"ARTICLE VIII.—The president shall represent the company and manage its affairs.

"The vice-president shall perform the president's duties when the latter is prevented from discharging them, and shall act as president when the latter post is vacant.

"The vice-president and directors shall assist the president in his duties and shall take charge of various departments of the company's business.

"The inspectors shall examine the business of the company.

"ARTICLE IX.—The Government, subject to the Imperial sanction, shall appoint the president and vice-president, whose terms of office shall be five years.

"The Government shall appoint the directors from among those shareholders who own fifty or more shares. The term of office shall be four years.

"The inspectors shall be elected from among the shareholders at a general meeting of the latter. The term of office shall be three years.

"ARTICLE X.—The amount of compensation and allowances of the president, vice-president and directors shall be fixed by the Government.

"ARTICLE XI.—The president, vice-president and directors of the company shall not engage in any other business or trade, under any name whatsoever, during their terms of office, except by special permission of the Government.

"ARTICLE XII.—The Government shall appoint supervisors for the South Manchuria Railway Joint Stock Company to supervise the business of the company.

"The supervisors may at any time examine the company's business and inspect their safes, books, documents and any other articles belonging to the company.

"The supervisors, whenever they may deem it necessary, may order the company to report on the various accounts and the condition of the company's business.

"The supervisors may attend the general meetings of the shareholders of the company, or any other meetings, and express their opinions, but shall not be entitled to vote.

"ARTICLE XIII.—The Government may issue such orders as may be necessary to superintend the business of the company.

"ARTICLE XIV.—In case the decisions of the company or the conduct of its officers are in violation of laws and regulations or of the object of the company, or are detrimental to the public welfare, or fail to carry out the orders of the Government office under whose jurisdiction the company is, the Government may cancel the said decisions or dismiss the officers concerned.

"ARTICLE XV.—When the Government deems it necessary, it may apply to the company the provisions of the laws and regulations relating to railways in Japan.

"In the case referred to in the preceding paragraph the Government shall inform the company in advance as to the laws and regulations to be so applied.

"ARTICLE XVI.—When not otherwise provided for in this Ordinance, the provisions of the Commercial Code and its Supplementary Laws and Regulations shall be applied.

"ARTICLE XVII.—The provisions of Imperial Ordinance No. 366 [Relates to the construction of railways in foreign countries by Japanese companies.] of 1900, shall not be applied to the company that is to be organized in accordance with this Ordinance.

"SUPPLEMENTARY RULES.

"ARTICLE XVIII.—The Government shall appoint a commission to transact all business relating to the organization of the South Manchuria Railway Joint Stock Company.

"ARTICLE XIX.—The organizing commission shall draw up the company's articles of association, and after the said articles have been approved by the Government, shall open the subscriptions for the first issue of shares.

"ARTICLE XX.—When the first issue of the company's shares has been subscribed, the commission shall present to the Government the subscription list and apply for permission to organize the company.

"ARTICLE XXI.—When the permission referred to in the preceding Article has been given, the organizing commission shall, without delay, call for the first instalment upon each share.

"When the first instalment referred to in the preceding Article has been paid in, the commission shall, without delay, call a general meeting for organization.

"ARTICLE XXII.—At the close of the first general meeting the organizing commission shall turn over its business to the President of the South Manchuria Railway Joint Stock Company."

The following are the translations (from the official Japanese texts) of the government order of August 1, 1906, concerning the South Manchuria Railway Company, and of the articles of incorporation of that company:

Japanese Government Order regarding South Manchuria Railway Company.—August 1, 1906.

"To Masatake Terauchi, Chairman of the Organizing Commission of the South Manchuria Railway Joint Stock Company, And eighty other members of the Commission:

"The following orders are hereby given respecting the several matters relating to the organization of the South Manchuria Railway Joint Stock Company, all matters pertaining to the management of which have been entrusted to the Commission.

"August 1, 1906.

"ISABURO YAMAGATA,
Minister of Communications.
"YOSHIRO SAKATANI, LL. D.,
Minister of Finance.
"VISCOUNT TADASU HAYASHI,
Minister for Foreign Affairs.

"ARTICLE 1.—In accordance with the Additional Agreement of the Japan-China Treaty relating to Manchuria, signed on December 22nd, 1905, the Company shall engage in the traffic of the following railways:

"Tairen-Changchun.
"Nankuanling-Port Arthur.
"Tafangshen-Liushutun.
"Tashichiao-Yingkow.
"Yentai-Yentai Coal Mine.
"Sukiatun-Fushun.
"Mukden-Antunghsien.

"ARTICLE 2.—The railways mentioned in the preceding Article shall be changed to the 4 feet 8.5 inch gauge within three (3) years counting from the day on which the company commences its operations.

"On the Tairen-Changchun Railway the tracks between Tairen and Sukiatun [near Mukden] shall be doubled.

"ARTICLE 3.—The company shall make the various arrangements necessary for the lodging and meals of the passengers, as well as for the storage of goods at the principal stations on the line.

"At the points on the harbors and bays touched by the railways the necessary arrangements shall be made for connecting water and land transportation.

"ARTICLE 4.—For the convenience and the profit of the railways, the company may engage in the following accessory lines of business:

"Mining, especially the operation of the coal-mines at Fushun and Yentai.
"Water transportation.
"Electrical enterprises.
"Sale on commission of the principal goods carried by the railways.
"Warehousing.
"Business relating to the land and buildings on the land attached to the railways.
"In addition, any business for which Government permission has been given.

"ARTICLE 5.—The company shall, subject to the permission of the Government, make the necessary arrangements for engineering works, education, sanitation, etc. within the area of lands used for the railways and the accessory lines of business.

"ARTICLE 6.—To defray the expenses necessary for the arrangements mentioned in the preceding Article, the company may, subject to the permission of the Government, collect fees of those who live within the area of lands used for the railways and the accessory lines of business, or make any other assessments for necessary expenses.

"ARTICLE 7.—The total amount of the company's capital stock shall be 200 million Yen, of which 100 million Yen shall be furnished by the Imperial [Japanese] Government.

"ARTICLE 8.—The capital to be furnished by the Government mentioned in the preceding Article shall consist of the following properties:

"The existing railways.
"All properties belonging to the railways, except those in the leased territory specially designated by the Government.
"The coal mines at Fushun and Yentai.

"ARTICLE 9.—The rolling stock now being used by the Government, and the rails as well as the accessories of the Mukden-Antunghsien temporary railway, shall be sold to the company at a reasonable price.

"ARTICLE 10.—The shares not owned by the Government shall be open to subscription by Japanese and Chinese subjects.

"ARTICLE 11.—When the dividend of the company for any business year is less than six (6) per cent per annum on the paid amount for the shareholders other than the Governments of Japan and China (hereafter to be styled merely 'the shareholders'), the Government shall supply the deficiency for a period of fifteen (15) years only, (or for thirty

(30) business years if the calendar year be divided into two business years), commencing from the day of the registration of the company's establishment. However, the amount of money to be furnished by the Government to supply the deficiency referred to shall, under no circumstances, exceed six (6) per cent per annum on the capital paid in by the shareholders.

"ARTICLE 12.—When the dividend of the company for any business year does not exceed six (6) per cent per annum on the capital paid in by the shareholders, the dividend on the shares owned by the Government need not be paid.

"The shares owned by the Chinese Government shall be dealt with in a similar way to those owned by the Imperial Government.

"ARTICLE 13.—The Government shall guarantee the payment of interest on the debentures which the company may issue for the reconstruction of the railways, or for the operation of the accessory business, and on those which the company may issue for consolidating or redeeming these debentures. The Government shall, if necessary, guarantee the repayment of the principal.

"The amount of the face value of the debentures to be guaranteed by the Government shall not exceed the amount remaining when the capital paid in by the shareholders other than the Government is subtracted from the total of the capital subscribed by them [shall not exceed the difference between the capital subscribed and the amount paid in].

"The debentures mentioned in the first paragraph shall be redeemed within twenty-five (25) years counting from the year of their issuance.

"ARTICLE 14.—For the debentures issued in accordance with the provisions in the first paragraph of the preceding Article, the Government shall supply the amount corresponding to the interest on the debentures.

"When the dividend on the capital paid up by the shareholders exceeds six (6) per cent per annum, the surplus shall first be applied to the payment of the interest on the debentures. However, in this case the amount of surplus shall be deducted.

"ARTICLE 15.—When there is any surplus after paying the interest on the debentures, as mentioned in the preceding Article, out of the profits of the company's business, the said surplus shall be apportioned to the shares owned by the Governments of Japan and China until the rate is equal on the respective amounts paid up by all shareholders.

"ARTICLE 16.—The money to be supplied by the Government, as provided for in Articles 11 and 14, shall bear interest at six (6) per cent per annum. The interest shall be added annually to the principal, and the total shall be the company's indebtedness to the Government.

"When the dividend for all the shares exceeds ten (10) per cent per annum, the surplus shall be devoted to the redemption of the company's debt mentioned in the preceding paragraph.

"ARTICLE 17.—Any surplus of funds raised by means of the debentures mentioned in Article 13 shall be deposited with the Division of Deposits in the Department of Finance.

"ARTICLE 18.—The company shall determine estimates of the capital to be paid up and the debentures to be floated during each business year, their face value, issuing price, rate of interest, date of issuance et cetera, and shall receive the Government's approval.

"ARTICLE 19.—The company shall determine the regulations relating to its finances and business, and shall secure the Government's approval.

"When the company desires to alter the regulations mentioned in the preceding paragraph and the articles of incorporation, similar steps shall be taken.

"ARTICLE 20.—The plans of the company's business, the estimate of the cost of operation, the budget of income and expenditures connected with the company's business, the settlement of the same and the rate of the dividend for each business year shall be submitted to the Government for approval. When the company desires to alter the foregoing items, similar steps shall be taken.

"ARTICLE 21.—At the designation of the Government the company shall report on the following matters:

"The present condition of the cost of operation as well as the income and expenditures connected with the company's business.

"The actual condition of the company's work in general.

"ARTICLE 22.—Without the permission of the Government the company shall not dispose of its principal rights and properties; nor give the same for security.

"ARTICLE 23.—When the Government deems it necessary, it may order the freight charges to be reduced, but only under special conditions.

"ARTICLE 24.—The Government may, when it deems necessary, order the company to make new works arrangements or modify the existing ones.

"ARTICLE 25.—At the designation of the Government the company shall be under obligation at any time to place the railways, land and any other articles at the service of the Government.

"ARTICLE 26.—The Articles and paragraphs relating to the funds to be supplied by the Government and the Government guarantees mentioned in the present order shall be confirmed upon the approval of the Imperial Diet."

"THE ARTICLES OF INCORPORATION OF THE SOUTH MANCHURIA RAILWAY JOINT STOCK COMPANY.

"CHAPTER I.—*General provisions.*

"ARTICLE 1.—This company shall be called the South Manchuria Railway Joint Stock Company and is established in accordance with Imperial Ordinance No. 142 of 1906 and in obedience to the Order of the Imperial Japanese Government.

"ARTICLE 2.—The liability of the shareholders of this company is limited to the value of the shares owned by them.

"ARTICLE 3.—This company shall establish its head-office at Tokyo and its branch office at Tairen [Dalny].

"ARTICLE 4.—The objects of this company are as follows:

"I. To engage in the transportation business of the following railways in Manchuria:

"Tairen-Changchun Railway.
"Nankuanling-Port Arthur Railway.
"Tafangshin-Liushutun Railway.
"Tashichiao-Yingkow Railway.
"Yentai-Yentai Coal-Mine Railway.
"Sukiatun-Fushun Railway.
"Mukden-Antunghsien Railway.

"II. To engage in the following lines of accessory business for the benefit of the railways:

"Mining, especially the operation of the coal mines at Fushun and Yentai.
"Water transportation.
"Electrical enterprises.
"Warehousing.
"Business relating to the land and buildings on the land attached to the railways.
"Any other business for which the permission of the Government may be given.

"ARTICLE 5.—The capital of this company shall be 200,000,000 Yen. However, the amount of the first subscription of shares shall be Yen 20,000,000, not including the shares to be owned by the Imperial Japanese Government. The second and subsequent subscriptions shall be opened from time to time, as necessity may require, upon the resolution of a general meeting of the shareholders.

"ARTICLE 6.—The public notices of this company shall be published in the newspapers in which the public notices of the court of law are published to whose jurisdiction the company is subject in Tokyo [the location of the head-office], and in the newspapers in which the public notices of the Government General of Kwantung are published at Tairen.

"CHAPTER II.—*Shares.*

"ARTICLE 7.—The share certificates of this company shall all be registered, and each share shall be two hundred (200) Yen.

"ARTICLE 8.—The certificates of shares of this company shall be of the following seven denominations:

"One-share certificates
"Five-share certificates
"Ten-share certificates
"Fifty-share certificates
"One hundred-share certificates
"One thousand-share certificates
"Ten thousand-share certificates

"ARTICLE 9.—The certificates of shares of this company shall bear the name of the company, the date of registration, the total amount of capital, the amount of each share, the amount paid up, and the number of the certificate. They shall bear the signature and seal of the President.

"ARTICLE 10.—As to the payments upon the shares, twenty (20) Yen per share shall be paid in at the first call. For the second and subsequent calls on the shares, the President shall determine the amount to be paid in as well as the time of payment, and notice of the same shall be sent to each shareholder at least sixty (60) days in advance. However, each call on the shares shall not exceed twenty (20) Yen per share.

"Article 11.—If a shareholder fails to make payment by the date fixed for payment on the shares, delay interest shall be charged him at the rate of four (4) sen per day per one hundred (100) Yen on the amount due.

"ARTICLE 12.—If a shareholder fails to make payment within fifteen (15) days from the date fixed for the first payment on the shares, the company may demand that payment be made within thirty days; and if the money is not paid in by that time the company may notify him that his rights as a shareholder of this company shall be forfeited.

"In the case mentioned in the previous paragraph, where rights are lost, the application money previously paid shall not be refunded.

"ARTICLE 13.—If at the second and subsequent calls on the shares a shareholder fails to make payment within fifteen (15) days after the date fixed for payment, the company may notify such shareholder that payment must be made within thirty (30) days, and that, in the case of failure to comply, his rights as a shareholder of this company shall be forfeited.

"When, in the case mentioned in the previous paragraph, a shareholder has forfeited his rights as such, the company shall notify each assignor [*i.e.*, one who has previously held the shares] of shares that payment must be made within fifteen (15) days, and the assignor who first pays the amount in arrears shall acquire the shares. If no assignor pays, the company shall sell the shares at auction. If the amount realized by the auction is not sufficient to cover the amount in arrears, the previous shareholder shall be required to make good the deficit. If the previous shareholder does not make good within fourteen (14) days, the company shall demand performance of the assignors.

"ARTICLE 14.—The liability of the assignors mentioned in the preceding Article is extinguished after two years from the time when the assignment was entered in the Register of Shareholders.

"ARTICLE 15.—If a company or any other legal person, public or private, owns the shares of this company, it shall appoint its representative and have his name entered in the Register of Shareholders of this company. If shares are held by two or more persons in common, they are required to appoint one person to exercise their rights as shareholder. Persons holding shares in common are jointly and severally liable to the company for the payment upon the shares.

"ARTICLE 16.—When shares are to be assigned, the parties concerned shall make a written statement in accordance with the form prescribed by this company and apply for the alteration of the certificates of shares. However, when a person inherits shares by virtue of succession, bequest or any decision rendered by a court of law, such person is required to attach to the statement referred to a certificate of the census official or other documents as evidence that the company may deem necessary.

"The assignment of any share shall not be valid unless the name and domicile of the assignee are entered in the Register of Shareholders and the name of the said assignee is entered on the share certificate in question.

"ARTICLE 17.—Should any certificate of shares be destroyed, mutilated or lost, the shareholder may apply for a new certificate of shares by presenting to the company a statement giving the facts in the case and signed by two or more persons as guarantors. However, in case of loss, a public notice to that effect shall be given at the expense of the applicant, and the new certificate of shares shall be issued only when no objection is raised within sixty (60) days from the date of the said public notice.

"ARTICLE 18.—If any shareholder wishes to change the denominations of his certificates of shares, the said certificates shall be presented to the company together with the application.

"ARTICLE 19.—For the registration of a change of an owner's name on a certificate of shares, the issue of a new certificate of shares or the alteration of the denomination of a certificate of shares, the prescribed fees of the company shall be collected from the applicant.

"ARTICLE 20.—During a period not exceeding thirty (30) days immediately preceding each ordinary general meeting of shareholders, the company shall suspend the assignment of shares.

"CHAPTER III.—*Shareholders.*

"ARTICLE 21.—The shareholders of this company shall be limited to the Governments of Japan and China, and the subjects of Japan and China.

"ARTICLE 22.—The Imperial Japanese Government shall furnish the following properties as capital, and the company shall deliver to the Government five hundred thousand (500,000) shares, amounting to Yen 100,000,000, which is the value of the said properties:

"The existing railways (except the rolling stock now actually in use, as well as the rails and accessories of the Mukden-Antunghsien temporary railway).

"All properties attached to the railways referred to, except such properties within the leased territory as may be designated by the Government.

"The coal-mines at Fushun and Yentai.

"ARTICLE 23.—Each shareholder shall have the right to one vote for each share owned by him.

"ARTICLE 24.—The shareholders and their legal representatives shall report to the company their domiciles, names and a copy of their legal seals, when they acquire shares. When any alteration in the above facts has taken place, similar measures shall be taken.

"CHAPTER IV.—*General meeting.*

"ARTICLE 25.—An ordinary general meeting shall be called by the President twice every year in the months of June and December. An extraordinary general meeting shall be called by the President when the President or the Inspectors deem it necessary to do so, or when the shareholders owning at least one-tenth or more of the total number of shares have presented a request to that effect, stating the object of the general meeting and the reasons for calling the same. When the shareholders have requested a general meeting to be called, the President shall take steps for calling the same within fourteen (14) days.

"ARTICLE 26.—The discussion at a general meeting shall be confined to the subjects previously announced.

"ARTICLE 27.—The date, time and place of a general meeting shall be determined by the President, and a notice to that effect shall be sent out to the shareholders at least thirty (30) days in advance of such meeting.

"ARTICLE 28.—The President shall act as chairman of a general meeting.

"ARTICLE 29.—The shareholders may appoint only shareholders of this company as their representatives, and their powers of attorney shall be presented to the company.

"ARTICLE 30.—The chairman of the general meeting shall be allowed to exercise his right to vote as a shareholder.

"ARTICLE 31.—Resolutions of a general meeting shall be adopted by a majority vote of the shareholders present. In case of a tie, the chairman shall have the casting vote.

"ARTICLE 32.—The issuance of company debentures or amendments to the Articles of Incorporation shall be decided by a majority vote, with more than one-half of the total number of shareholders and also of shareholders representing a half or more of the capital stock present.

"If, in the case mentioned in the preceding paragraph the necessary quorum is not present, a provisional decision may be made by a majority of the shareholders present. A notification giving the essential details of the said provisional decision shall be sent to each shareholder, and another general meeting shall be called in not less than one month.

"At the second general meeting the said provisional decision shall be confirmed or rejected by a majority vote of the shareholders present.

"ARTICLE 33.—The minutes of a general meeting shall be recorded in the Proceedings of the general meetings, and the same shall bear the signatures and seals of the President and chief officers present.

"ARTICLE 34.—The chairman of the general meeting may adjourn the meeting or change the place of meeting. The discussion at an adjourned meeting shall be confined to the subjects on which no decision was made at the preceding meeting.

"CHAPTER V.—*Chief officers.*

"ARTICLE 35.—The chief officers of this company shall be as follows:

President	1
Vice-President	1
Directors	4 or more
Inspectors	3 to 5

"ARTICLE 36.—The term of office of the President and Vice-President shall be five years, and they shall be appointed by the Government subject to the Imperial sanction.

"The term of office of the Directors shall be four years, and they shall be appointed by the Government from among those who own fifty (50) shares or more.

"The term of office of the Inspectors shall be three years, and they are to be elected by the shareholders at a general meeting of the shareholders.

"ARTICLE 37.—The remunerations and allowances of the President, Vice-President and Directors shall be determined by the Government.

"The remuneration of the Inspectors shall be determined by a resolution of a general meeting of the shareholders.

"ARTICLE 38.—The Directors are required, during their term of office, to deposit with the Inspectors fifty (50) shares of the company owned by them. These shares shall not be returned to their owners even on their retirement from office until all affairs transacted during their term of office shall have been approved at a general meeting.

"ARTICLE 39.—In the event of the office of any Inspector becoming vacant, an extraordinary general meeting of the shareholders shall be called for the purpose of a by-election, and the new Inspector shall hold office during the remainder of the term of office of his predecessor.

"However, a by-election may be postponed until the next general meeting of the shareholders, except when the number of Inspectors has decreased to two or less.

"ARTICLE 40.—The President shall represent the company and have general control of all its affairs.

"The Vice-President shall represent the President when he is prevented from discharging his official duties, and shall act as President when that office is left vacant.

"The Vice-President and the Directors shall assist the President, and each shall take charge of a part of the business of the company.

"The Inspectors shall inspect the affairs of the company.

"ARTICLE 41.—During their respective terms of office the President, Vice-President and Directors shall not engage in any other occupation or business under any name whatever without the permission of the Government.

"ARTICLE 42.—The President shall keep at the head-office as well as the branch office copies of the Articles of Incorporation and of the Record of Resolutions of the general meetings of shareholders. He shall also keep at the head-office the Register of Shareholders and the Ledger of Debentures.

"ARTICLE 43.—The President shall submit the following documents to the Inspectors seven (7) days in advance of the date set for the ordinary general meeting of shareholders:

"(1) An inventory of the company's properties.

"(2) A balance sheet.

"(3) A report on the company's works.

"(4) An account of the profits and losses.

"(5) Proposals relating to the reserve funds and to the dividends.

"ARTICLE 44.—The President shall have in readiness at the head-office before the day of an ordinary general meeting of the shareholders the documents mentioned in the preceding Article and the Inspectors' report.

"ARTICLE 45.—The President shall submit to an ordinary general meeting of the shareholders the documents mentioned in Article 43 and obtain its approval.

"The President shall publish the balance sheet when he has obtained the approval mentioned in the preceding paragraph.

"ARTICLE 46.—The Inspectors are required to examine the documents to be submitted by the President to a general meeting of shareholders and to report their views at the said meeting.

"ARTICLE 47.—The Inspectors may at any time demand the President to report on the business of the company, and may examine the management of its affairs and the condition of its properties.

"CHAPTER VI.—*Supervisors.*

"ARTICLE 48.—The Supervisors of the South Manchuria Railway Joint Stock Company may at any time inspect the arrangements of the company's work, or examine the safes and books of the company, as well as the various documents and articles belonging to it.

"The Supervisors may, whenever they deem it necessary, order the company to report on the various business accounts and the condition of the company.

"The Supervisors may attend the general meetings of the shareholders or any other meetings and express their opinions, but they are not entitled to vote.

"CHAPTER VII.—*Accounts.*

"ARTICLE 49.—The account of this company shall be settled by dividing a year into two periods. From April to September of every year shall be the first half year and from October to the following March shall be the second half year.

"ARTICLE 50.—This company shall set aside as a reserve fund one-twentieth (1/20) or more of the profits, whenever they are apportioned, until the reserve fund amounts to one-fourth (1/4) of the capital.

"Special reserve funds other than that provided for in the preceding paragraph shall be determined by a resolution of a general meeting.

"ARTICLE 51.—The dividends to the shareholders shall be paid according to the Register of Shareholders as it stands on June 1 and December 1.

"ARTICLE 52.—When the dividend of the company for any business year is less than six (6) per cent per annum on the paid up capital for the shareholders other than the Governments of Japan and China (hereafter to be styled merely 'the shareholders'), the Imperial Japanese Government shall supply the deficiency for a period of fifteen (15) years commencing from the day of the registration of the company's establishment. However, the amount of money to be supplied by the Government shall, under no circumstances, exceed six (6) per cent per annum on the capital paid in by the shareholders.

"ARTICLE 53.—When the dividend of the company does not exceed six (6) per cent per annum on the capital paid in by the shareholders, the dividend on the shares owned by the Government need not be paid.

"The shares owned by the Chinese Government shall be dealt with in a similar way to those owned by the Imperial Japanese Government.

"ARTICLE 54.—The payment of interest on the debentures which the company may

issue for the reconstruction of the railways, or for the operation of the accessory business, and on those which the company may issue for consolidating or redeeming old debentures, shall be guaranteed by the Imperial Japanese Government.

"The reimbursement of the principal may also, if necessary, be guaranteed by the Imperial Japanese Government. The amount of the face value of the debentures to be guaranteed by the Imperial Japanese Government shall not exceed the amount remaining when the capital paid in by the shareholders other than the Imperial Japanese Government is subtracted from the total of the capital (Yen 100,000,000) subscribed by them.

"The debentures mentioned in the first paragraph of this Article shall be redeemed within twenty-five (25) years.

"ARTICLE 55.—For the debentures issued in accordance with the provisions of the first paragraph of the preceding Article, the Government shall supply the amount corresponding to the interest on the debentures.

"When the dividend on the capital paid up by the shareholders exceeds six (6) per cent per annum, the surplus shall first be applied to the payment of the interest on the debentures. However, in this case the amount of surplus shall be deducted from the money to be supplied by the Government mentioned in the preceding paragraph.

"ARTICLE 56.—When there is any surplus after paying the interest on the debentures, as mentioned in the preceding Article, out of the profits of the company's business, the said surplus shall be apportioned to the shares owned by the Governments of Japan and China until the rate is equal on the respective amounts paid up by all shareholders.

"ARTICLE 57.—The money to be supplied by the Imperial Japanese Government, as provided for in Articles 52 and 55, shall bear interest at six (6) per cent per annum. The interest shall be added annually to the principal, and the total shall be the company's indebtedness to the Imperial Japanese Government.

"When the dividend for all shares exceeds ten (10) per cent per annum, the surplus shall be devoted to the redemption of the company's debt mentioned in the preceding paragraph.

"CHAPTER VIII.—*Expenses for organizing the company.*

"ARTICLE 58.—The expenses for organizing the company shall not exceed 50,000 Yen.

"Of the amount mentioned in the preceding paragraph that advanced by the Government shall be reimbursed by the company.

"*Supplementary Article.*

"ARTICLE 59.—The provisions in Articles 52 to 57 shall be confirmed upon being approved by the Imperial Diet."

Under date of July 31, 1917, were issued the following imperial ordinances regarding the organization of the South Manchuria Railway Company, and the turning over to its management of the Korean (Chosen) system of railways:

Organization of the South Manchuria Railway Company.

"(Imperial Ordinance No. 89, July 31, 1917).

"[*Translation*].

"Imperial Ordinance No. 142 of 1906 shall be revised as follows:—

"In Article 7, 'One President, One Vice President,' shall be revised to 'the Chairman of Directors.'

"Article 8, paragraphs one to four, shall be revised as follows:

> The Chairman of Directors on behalf of the Company shall execute the affairs of the Company according to the orders of the Governor General of Kwantung Province. When the Chairman of Directors is prevented (from attending office) a Director designated by the Government shall represent him in the discharge of his duty.

"In Articles 9 to 11 'President' and Vice President' shall be revised to 'Chairman of Directors.'"

"Supplementary Rule. This Ordinance shall be effective from the date of its promulgation."

Concerning the turning over of the operation of the Railways under the jurisdiction of the Government General of Chosen.

"(Imperial Ordinance No. 90, July 31, 1917).

"[*Translation*].

"The Governor General of Chosen may intrust to the South Manchuria Railway Company the construction, improvement, preservation and operation of the railways and the undertakings connected therewith under his jurisdiction.

"In the cases mentioned in the preceding paragraph, the Governor General of Chosen may issue necessary orders to or make necessary arrangements with the South Manchuria Railway Company for the carrying out of the undertakings intrusted to it or cause the officials to inspect the undertakings.

"Supplementary Rule. This Ordinance shall be effective from the date of its promulgation."

Abolition of the Bureau of Railways in the Chosen Government General.

"(Imperial Ordinance No. 79, July 31, 1917).

"[*Translation*].

"The Organization of the Bureau of Railways in the Chosen Government General is hereby abolished.

"Supplementary Rule. This Ordinance shall be effective from the date of its promulgation."

The President of the South Manchuria Railway Company (Baron Shimpei Goto) published in Company Order No. 14, dated September 28, 1907, a notification of the adoption of the following regulations concerning councils of the branch offices of the South Manchuria Railway:

Regulations concerning Councils of the Branch Offices of the South Manchuria Railway.

"ARTICLE 1.—If necessary, the South Manchuria Railway Company may establish councils in each settlement, appointed by the Company from among the residents of the district contributing to the public expenses of the Branch Office. The above council shall be appointed by the President.

"ARTICLE 2.—The positions on the council shall be honorary and the term of service shall be one year.

"The President may dismiss the councils if necessary.

"A member of the council appointed to fill a vacancy shall serve during the remainder of the term of his predecessor.

"ARTICLE 3.—Should a member of the council move out of the district, he shall lose his place on the council.

"ARTICLE 4.—The purpose of the meetings of the council is to answer such inquiries as the Chief may consider it necessary to present to it.

"ARTICLE 5.—The Chief shall make regulations governing the meetings of the council and other necessary rules for the enforcement of this order, subject to the approval of the President."

At the same time, a similar Company Order (No. 15) was issued in regard to Taxes and Charges in the leased land of the South Manchuria Railway Company;

Company Order concerning Taxes and Charges in the Leased Land of the South Manchuria Railway Company.

"ARTICLE 1.—Taxes in the Leased Land are classified as follows:

I. House Tax.

II. Miscellaneous Tax.

"ARTICLE 2.—The classes and rates of the taxes are to be fixed by the Chief of the Branch Office of the Railway Company and must be sanctioned by the President. In case they are to be increased or changed this shall be done by the Chief of the Branch Office in the same way.

"ARTICLE 3.—The house tax is to be levied according to the condition of persons residing in the settlements.

"ARTICLE 4.—The miscellaneous tax is levied on Geisha, prostitutes, waitresses, dancers, female attendants in restaurants, jesters, carriages, jinrikishas, bicycles, carts, boats, music halls, amusement halls (pool rooms, shooting galleries, etc.), theaters and butchers. If the Chief of the Branch Office desires to levy the miscellaneous tax on any other occupations or things besides those above mentioned he shall ask the permission of the President. For the taxes on Geisha, prostitutes, waitresses, dancers, restaurant attendants and jesters their employers shall be held responible.

"ARTICLE 5.—Taxes will be levied on persons staying in one settlement more than three months according to the number of days that they have been there.

"ARTICLE 6.—Taxes shall be levied for each half-year and shall be collected four times, viz., on April 1st, July 1st, October 1st and January 1st, and if any person shall establish his residence in the middle of a quarter taxes shall be levied on him proportionately from the first of the month in which he arrived. Monthly taxes shall be levied according to the condition of the tax payer at the beginning of the month.

"Any person becoming liable to taxation before the middle of the month shall be required to pay the full amount for the month, and if after the middle of the month, half of the full amount shall be levied.

"Per diem taxes shall be levied according to the number of days. If any person shall become unexpectedly free from liability to taxation, or shall transfer his residence to another place, the taxes already paid shall not be refunded.

"ARTICLE 7.—If the Chief of the Branch Office desires to fix any new tax rates he must request the sanction of the President.

"ARTICLE 8.—Officials shall have the right to enter houses or private offices and inspect books or other things whenever they consider it necessary for the purpose of taxation.

"ARTICLE 9.—In cases where special circumstances exist, the Chief of the Branch Office may, with the sanction of the President, remit part or the whole of the tax.

"ARTICLE 10.—In the case of property or business held in joint ownership, the owners or partners shall be held jointly and severally responsible for the taxes and other charges.

"ARTICLE 11.—Persons using or owning land or buildings in the railway settlement and not residing themselves in the settlement must have a manager or appoint some person who is qualified to deal with matters concerned with the payment of taxes, and who may be held responsible for anything that may happen, and said person shall be a resident of the settlement.

"ARTICLE 12.—Charges fixed by the Chief of the Branch Office must be sanctioned by the President, and in case the rates are to be decreased or changed the same procedure shall be followed.

"ARTICLE 13.—Persons neglecting to pay their taxes or charges on the date set by the official concerned shall be dealt with in accordance with regulations to be specially issued.

"ARTICLE 14.—The Chief of the Branch Office may establish a public fund for the residents in the settlement. This public fund shall be established, managed and liquidated as the President may direct.

"ARTICLE 15.—The Chief of the Branch Office, may, with the sanction of the President, make such regulations as he thinks necessary to enforce these regulations."

As to the establishment of an office of the Chinese maritime customs at Dairen (Dalny); see the agreement of May 30, 1907 (No. 1907/6, *post*).

For translations of the Japanese ordinances, under date of July 31, 1906, relating to the organization of the government-general of the Leased Territory of Kwantung, see *For. Rel.*, 1906, pp. 1051-9. The following are extracts from the translations there printed, with certain subsequent amendments:

Organization of the Government-General of Kwantung.

"Imperial Ordinance No. 196.

"ARTICLE 1.—In the Province of Kwantung there shall be established the Government-General of Kwantung (Kwantung Totoku Fu).

"ARTICLE 2.—For the Government-General of Kwantung there shall be appointed a Governor-General of Kwantung (Kwantung Totoku).

"The Governor-General shall govern the Province of Kwantung, and shall take charge of the protection and supervision of the railway lines in South Manchuria.

"The Governor-General shall supervise the affairs of the South Manchuria Railway Joint Stock Company.

"ARTICLE 3.—The Governor-General shall be of the *shin nin* [appointed directly by the Emperor] rank and shall be a general or a lieutenant-general of the Imperial Army.

"ARTICLE 4.—The Governor-General shall command the troops under his jurisdiction and shall have control of various political matters under the supervision of the Minister for Foreign Affairs.

"ARTICLE 5.—By virtue of a special commission the Governor-General shall take charge of the affairs to be negotiated with the Chinese provincial authorities.

"ARTICLE 6.—The Governor-General shall be subject to the Minister of War with reference to matters of military administration and the personal affairs of the soldiers and of those connected with the Army; to the Chief of the General Staff with reference to plans of operation and mobilization; to the Superintendent of Education in the Army with reference to military education.

"ARTICLE 7.—The Governor-General may, by virtue of the authority invested in him *ex officio* or by special authorization, issue ordinances, including penal regulations for imprisonment not exceeding one year or fine not exceeding two hundred (200) yen.

"ARTICLE 8.—For the maintenance of the public welfare and order, the Governor-General may, on special occasions requiring urgent measures, issue ordinances including penal regulations exceeding the limitations mentioned in the preceding Article.

"The ordinances mentioned in the preceding paragraph shall, immediately after their promulgation, be reported to the Emperor, through the Minister for Foreign Affairs, for the Imperial sanction.

"In case the said ordinances should not be sanctioned by the Emperor, the Governor-General shall immediately give public notice that they are not valid thereafter.

"ARTICLE 9.—The Governor-General shall take charge of the defence of the territory within the limits of his jurisdiction.

"ARTICLE 10.—When the Governor-General deems it necessary for the maintenance of the welfare and order of the territory under his jurisdiction, or for the protection or supervision of the railway lines, he may employ military force.

"In the case mentioned in the preceding paragraph, the fact shall be immediately reported to the Minister for Foreign Affairs, the Minister of War and the Chief of the General Staff.

"ARTICLE 11.—When the Governor-General discovers that any order or measure of the Government offices under his jurisdiction is contrary to the prescribed regulations, or is injurious to the public interests, or has transgressed the authority vested in them, he may suspend the said order or measure, or annul it.

"ARTICLE 12.—The Governor-General shall control the officials under his jurisdiction. With reference to the promotion and dismissal of civil officials of the *sonin* [appointed by the Cabinet and reported to the Emperor] rank, he shall report to the Emperor, through the Minister for Foreign Affairs and the Prime Minister. With reference to the promotion or dismissal of civil officials of the *hannin* [appointed by heads of departments] rank and those lower, the Governor-General shall act entirely at his own discretion.

* * * * * * * * *

"ARTICLE 15.—[As amended by Imperial Ordinance No. 2, January 10, 1908]. A Governor-General's Secretariat shall be established in the Government-General of Kwantung,

"In the Governor-General's Secretariat there shall be established a section of Private Secretaries, a Section of Documents and a Section of Foreign Affairs; and their respective functions shall be determined by the Governor-General.

"There shall be an Adjutant in the Governor-General's Secretariat to take charge of confidential matters.

"The Adjutant shall be an army officer between the ranks of colonel and lieutenant.

"ARTICLE 16.—There shall be a Civil Administration Department and a Military Department in the Government-General at Kwantung.

"The regulations for the Military Department shall be determined separately.

"ARTICLE 17.—The Civil Administration Department shall take charge of all administrative affairs except those pertaining to military administration.

"ARTICLE 18.—The following four bureaus and one office shall be established in the Civil Administration Department and their respective functions shall be determined by the Governor-General:

"Bureau of Miscellaneous Affairs,
"Bureau of Police,
"Bureau of Financial Affairs,
"Prison Office.

* * * * * * * * *

"ARTICLE 20.—Branches of the Civil Administration Office and of the Prison Office shall be established in important places in order to divide the duties of the Civil Administration and Prison Offices. Their location, names and jurisdiction shall be determined by the Governor-General.

"ARTICLE 21.—[As amended by Imperial Ordinance No. 2, January 10, 1908.] The Government-General of Kwantung shall have the following personnel:

"Chief Civil Administrator, *chokunin* rank	1
"Director of Foreign Affairs, *chokunin* or *sonin* rank	1
"Director of Police Affairs, *chokunin* or *sonin* rank	1
"Councillors, *sonin* rank	2
"Secretaries, *sonin* rank	6
"Chiefs of the Civil Administration Offices, *sonin* rank	3
"Private Secretary, *sonin* rank	1
"Experts, *sonin* rank	18
"Police Inspectors, *sonin* rank	6
"Governor of Prisons, *sonin* rank	1
"Translators, *sonin* rank	3

"Clerks "Police Sergeants "Assistant Experts "Jailers "Prison Physicians "Student Translators	220 *hannin* rank

"Consular officials stationed in South Manchuria may, in addition to their regular positions, be appointed as Secretaries (of the Government-General).

"ARTICLE 22.—The Chief Civil Administrator shall assist the Governor-General and have control of the affairs of the Civil Administration Department.

"The Director of Foreign Affairs shall, as the Chief of the Section of Foreign Affairs in the Governor-General's Secretariat, take charge of Foreign Affairs under the instructions of the Governor-General.

"The Director of Police Affairs shall, as the Chief of the Section of Police Affairs in the Civil Administration Department, take charge of police affairs under the instructions of his superiors.

* * * * * * * * *

"ARTICLE 24.—[As amended by Imperial Ordinance No. 2, January 10, 1908.] The secretaries shall be either the chiefs of the bureaus or members of the same, and shall take charge of matters under the instructions of their superiors.

"Those consular officials who hold additional positions as secretaries (of the Government-General) shall take charge of police affairs along the railway lines under the instructions of their superiors.

"ARTICLE 25.—The Chiefs of the Civil Administration Offices shall, under the direction and control of the Governor-General, enforce laws and ordinances, and control the administrative affairs within their respective districts.

"ARTICLE 26.—With reference to the administrative affairs within their respective districts, the Chiefs of the Civil Administration Offices may, by virtue of the authority vested in them *ex officio* or by special authorization, issue ordinances applying to the whole or a part of their districts, including penal regulations, imposing fines not exceedng ten (10) yen and detention.

"ARTICLE 27.—When military force is needed for maintaining tranquillity within their respective districts, the Chiefs of the Civil Administration Offices shall report the fact to the Governor-General. But for extraordinary emergencies they may immediately demand the dispatch of troops from the commanders of neighboring garrisons.

* * * * * * * * *

"ARTICLE 31.—The Experts shall take charge of technical arts under the instructions of their superiors.

[Articles 32-43 omitted.]

"*Supplementary Article.*—This Ordinance shall take effect on September 1, 1906."

Organization of the Post and Telegraph Office of the Government-General of Kwantung.

Imperial Ordinance No. 197.

"ARTICLE 1.—The Post and Telegraph Office of the Government-General of Kwantung shall belong to the Civil Administration Department of the Government of Kwantung, and shall take charge of affairs relating to posts, telegraphs, and telephones.

"ARTICLE 2.—The Post and Telegraph Office shall have the following personnel:

"Chief	1
"Secretaries of Communications, *sonin* rank	3
"Assistant Secretaries, *sonin* rank	18
"Experts (operators, engineers, &c), *sonin* rank	4
"Clerks of Communications "Assistant Experts "Assistant Clerks	506 *hannin* rank

"ARTICLE 3.—The Chief of the Post and Telegraph Office shall be a Secretary, and he shall control the affairs of the office under the instructions of his superiors.

* * * * * * * * *

"ARTICLE 9.—Branches of the Post and Telegraph Office shall be established in important places in order to take charge of a portion of the affairs of the Post and Telegraph Office.

"The location, names, and jurisdiction of the branch offices shall be determined by the Governor-General of Kwantung.

"ARTICLE 10.—The Chiefs of the branch offices shall be officials of higher rank (*kotokan*) or of *hannin* rank. [*Kotokan* includes both *chokunin* and *sonin* officials, but in this case those of *sonin* rank only are meant.]

"*Supplementary Article.*—This Ordinance shall take effect on September 1, 1906."

Regulations relating to the Military Department of the Government-General of Kwantung.

"Imperial Ordinance No. 204.

"ARTICLE 1.—The Military Department of the Government-General of Kwantung shall take charge of all military affairs within the jurisdiction of the Governor-General of Kwantung.

"ARTICLE 2.—The Military Department of the Government-General of Kwantung shall be composed of the following sections:

"Section of Staff, } These two sections constitute the '*Bakuryo*,'
"Section of Adjutants, }
"Section of Judges,
"Section of Administration,
"Section of Army Surgeons,
"Section of Veterinary Surgeons.

"ARTICLE 3.—The Chief of Staff shall assist the Governor-General of Kwantung, participate in important military affairs, supervise the promulgation and enforcement of orders, and take charge of the supervision of all affairs in the Military Department of the Government-General of Kwantung.

"ARTICLE 4.—The officers and those ranking as such in the Sections of Staffs and Adjutants (*Bakuryo*) shall, under the direction of the Chief of Staff, take charge of the affairs assigned to them.

"ARTICLE 5.—The Chief Judge shall be subject to the Governor-General of Kwantung and shall take charge of judicial affairs in the army.

"ARTICLE 6.—The Chief of the Section of Administration shall be subject to the Governor-General of Kwantung and shall supervise the finances and administration of the various detachments stationed in the Province of Kwantung. He shall control matters relating to constructions on land for the army (except national defences and railway), as well as the personal affairs and education of the officers and those under them in the Section of Administration. He shall take special charge of the barracks and other new temporary work. However, with reference to the supervision of the financial affairs and the plans of constructions on land, he shall be directly subject to the Minister of War. With reference to the personal affairs and education of the officers and those under them in the Section of Administration, he shall be subject to the Chief of the Bureau of Administration in the Department of War.

"The Chief of the Section of Administration shall control the finances and administration of the detachments not governed by the Section of Administration in the respective army divisions; but according to the location of the detachments stationed in the Province, these matters may be referred to the Section of Administration in the army divisions.

"ARTICLE 7.—The Chief of the Section of Army Surgeons shall be subject to the Governor-General of Kwantung and shall supervise the sanitary affairs of the detachments stationed in the Province. He shall also control the personal affairs and education of the officers and those under them in the Section of Sanitation, as well as matters relating to sanitary materials. However, he shall also be subject to the Chief of the Bureau of Medical Affairs in the Department of War.

"ARTICLE 8.—The Chief of the Section of Veterinary Surgeons shall be subject to the Governor-General of Kwantung and shall supervise sanitary affairs relating to military horses. He shall control the personal affairs and education of the officers and those under them in the Section of Veterinary Surgeons, as well as matters relating to veterinary surgeons' materials and farriery. However, he shall also be subject to the Chief of the Bureau of Military Affairs in the Department of War.

"ARTICLE 9.—Matters to be reported to the Governor-General by the various Chiefs of Sections shall first be submitted to the Chief of Staff for approval.

"ARTICLE 10.—The members of the Sections of Judges, Administration, Army Surgeons and Veterinary Surgeons, shall engage in the work assigned to them under the instructions of their respective chiefs.

"ARTICLE 11.—The non-commissioned officers and civil officials of the *hannin* rank shall engage in their work under the instructions of their superiors.

"*Supplementary Article.*—This Ordinance shall take effect September 1, 1906."

Imperial Ordinance No. 5, of January 10, 1908, provided that "The Police Officials of the Government-General of Kwantung may, in addition to their regular positions, be appointed as Police Officials attached to the Imperial Consulates in South Manchuria."

The following Japanese ordinances of July 31, 1917, also concern the organization of the Government-General of the leased territory:

Organization of the Foreign Office.

" (Imperial Ordinance No. 76, of July 31, 1917).

" [*Translation*].

" The following revision is made in the organization of the Foreign Office:—
" In Article 1, Paragraph 2 shall be revised as follows:—
The Minister for Foreign Affairs shall direct and supervise the Governor-General of Kwantung Province in matters respecting diplomacy.
" In Article 5, 'And the business pertaining to Kwantung Province' shall be suppressed.

" *Supplementary Rule.*—This Ordinance shall be effective from the date of its promulgation."

Organization of the Kwantung Government-General.

" (Imperial Ordinance No. 82, of July 31, 1917).

" [*Translation*].

" The following revision is made in the Organization of the Kwantung Government-General:—
[Several items of minor importance have not been translated].
" ARTICLE 2.—The Governor-General shall exercise jurisdiction over Kwantung Province and shall have control of the protection and supervision of the railway lines in South Manchuria, and shall have charge of the operation of the South Manchuria Railway Company.
" ARTICLE 4.—The Governor General shall have command of the army under his jurisdiction and shall control all political affairs under the supervision of the Minister President of the Cabinet: provided, however, that in matters respecting diplomacy he shall be under the supervision of the Minister for Foreign Affairs.

" *Supplementary Rule.*—This Ordinance shall be effective from the date of its promulgation."

Appointment of Consular Officers in Manchuria.

" (Imperial Ordinance No. 88, of July 31, 1917).

" [*Translation*].

" Consuls and Vice Consuls stationed in Manchuria shall be appointed from persons who have been employed for two years or more in the office of the high civil administrator, or from learned and experienced men who have been engaged in business in Manchuria for five years or more and are approved by the Examining Board for the Diplomatic and Consular Service.
" Clerks at Consulates in Manchuria may be appointed from persons who have been officers of the *Hannin* grade for two years or more in the offices of the Kwantung Government-General, or from persons of sufficient education who have been in the service of the South Manchuria Railway as clerks for three years or more and have been approved by the Examining Board for the Ordinary Civil Service.

" *Supplementary Rule.*—This Ordinance shall be effective from the date of its promulgation."

Further changes in the organization of the government of the Kwantung Leased Territory were promulgated by an Imperial Ordinance of April 12th, 1919, thus translated from the *Official Gazette* of that date:

Organization of the Government of Kwantung.

" (Imperial Ordinance No. 94, April 12, 1919.)

" 1.—The Kwantung Government shall be established in Kwantung Province.
" 2.—The Kwantung Government shall have a governor (Chokan).
" The Governor of Kwantung shall have jurisdiction over Kwantung Province, and shall exercise control over the policing of the railway lines in South Manchuria.
" The Governor of Kwantung shall supervise the business of the South Manchurian Railway Company.
" 3.—The Governor of Kwantung shall be of the *Shinnin* rank.

"When a military officer is appointed as Governor of Kwantung he shall assume, in addition, the command of the Kwantung army.

"4.—The Governor of Kwantung shall carry on administrative business under the supervision of the Prime Minister; but with reference to international affairs he shall be under the supervision of the Foreign Minister.

"5.—The Governor of Kwantung may in accordance with his administrative powers or with special delegation of authority issue orders, the infringement of which may be punished by him with imprisonment not to exceed one year or with a fine not to exceed one hundred yen.

"6.—In case urgent measures are necessary for the preservation of peace and order, the Governor of Kwantung may issue orders attaching penalties exceeding the limitations of the foregoing article.

"Orders which have been issued in accordance with the provisions of the foregoing paragraph shall be submitted for Imperial sanction immediately through the Prime Minister. If Imperial sanction is not obtained the Governor of Kwantung shall immediately give notice that the orders are in future invalid.

"7.—When the Governor of Kwantung deems it necessary for the preservation of peace and order within the districts under his jurisdiction or for the protection of the railway lines, he may request the Commander of the Kwantung army for the use of military forces.

"8.—When the Governor of Kwantung deems that an order issued or a measure adopted by an office under his jurisdiction is contrary to the rules, injurious to public welfare or exceeds official authority, he may suspend or cancel the order or measure.

"9.—The Governor of Kwantung shall assume control over all officials under his jurisdiction; the appointment or dismissal of officials of the *Sonin* rank shall be submitted through the Prime Minister for Imperial sanction, and the appointment or dismissal of officials of the *Hannin* rank shall be effected at his own discretion.

"10.—The Governor of Kwantung shall submit through the Prime Minister for Imperial sanction the decoration of officials under him.

"11.—The Governor of Kwantung shall be empowered to discipline the officials under him. He shall submit through the Prime Minister for Imperial sanction the dismissal of *Chokunin* and *Sonin* officials.

"12.—There shall be established in the Kwantung Government a Governor's Secretariat and sections of civil and foreign affairs. The Governor shall determine the apportioning of work in the Governor's Secretariat and the sections of civil and foreign affairs.

"13.—The Kwantung Government shall be divided into two districts in each of which an office of civil affairs shall be established. The Governor of Kwantung shall determine their location, names and boundaries of jurisdiction.

"14.—Branch civil offices shall be established at important points in order to distribute the work of civil offices. The Governor of Kwantung shall determine their location, names and boundaries of jurisdiction.

"15.—In the Government of Kwantung the following officials shall be appointed:

Chief Secretary		*Chokunin* rank
Chief of Section of Civil Affairs		"
" Foreign Affairs		"
One Councillor		*Sonin* rank.
Seven Secretaries (one of whom may be of the *Chokunin* rank)		"
Police Officer, one		"
Private Secretary, one		"
Educational Officer, one		"
Nine Engineers		"
Nine Police officers		"
Two translators		"
Clerks, School officers, Police officers, Engineers' assistants, Translators' assistants	173	*Hannin* rank
Police assistants	99	"

"The position of Chief of the Section of Civil Affairs, Chief Secretary, and Chief of the Section of Foreign Affairs shall be filled by the Consul General at Mukden.

"The positions of secretaries may be filled as additional posts by consuls in South Manchuria.

"The Government of Kwantung shall have an adviser for communications. This position shall be filled by the President of the South Manchuria Railway Company."

[The remaining 24 articles deal with the duties of these various officials.]

"*Supplementary Rules.*—This ordinance shall be effective from the date of its promulgation.

"The Organization of the Kwantung Government General is hereby abolished."

[The remaining supplementary rules provide for the appointment of secretaries and other officials of the former Kwantung Government General in the new organizations, the substitutions of the new terms for the old, etc.]

The following regulations for the control of foreign residents in Kwantung were issued by the Governor-General under date of September 1, 1906:

Regulations for Control of Residents in Kwantung, September 1, 1906.

"ARTICLE 1.—The term 'Residents' in the present Regulations signifies persons who visit or reside in Kwantung.

"ARTICLE 2.—Any person who establishes his residence in Kwantung shall report the fact, within five days, to the Civil Administration Office or the Branch Office concerned, stating his name, domicile (or nationality in the case of a foreigner), status, calling, age, and whether he is the head or a member, inmate or employee, of a family, as well as the locality of his residence. A similar notice shall be given when any person has changed his residence.

"The aforesaid notice shall be made in the case of a member or inmate of a family by the head of that family or household and in the case of an employee by his employer.

"ARTICLE 3.—Foreigners (excepting Chinese) shall be permitted until further notice to reside and lease or own real property only within the town limits of Tairen and Port Arthur.

"ARTICLE 4.—When a birth or death or change in residence, or other matters relating to family registration or in matters whereof notice is required to be made occurs in the family or household of a resident, notice shall be given within five days to the Civil Administration Office or its Branch Office concerned by the head or a member of such family or household.

"ARTICLE 5.—If any resident is deemed likely to injure public tranquility or morals, the Chief of the Civil Administration Office concerned may prohibit his residence within the jurisdiction limits of the Government of Kwantung for a period of more than one year and not exceeding three years.

"ARTICLE 6.—Any person who has been prohibited residence in Kwantung shall within five days, leave the jurisdiction limits of the Government of Kwantung. If, however, proper reason is found to exist for his inability to leave within the prescribed period the Chief of the Administration Office concerned may grant him temporary suspension of the prohibition, receiving or not receiving from him a reasonable money security.

"ARTICLE 7.—If any person to whom temporary suspension has been granted as in the preceding Article again behaves, within the prescribed period, in such a manner as to fall under Art. 5, the suspension granted shall be cancelled and the security confiscated.

"ARTICLE 8.—If any person who has been prohibited residence in Kwantung, is found to have remarkably improved in his conduct, the Chief of the Civil Administration Office concerned may at any time cancel his prohibition.

"ARTICLE 9.—If any person who has been prohibited residence in Kwantung has any objection to the prohibition, he may, within three days from the day on which he was so prohibited, apply to the Governor-General through the Chief of the Civil Administration Office concerned for a countermand of the prohibition.

"Even in such case the execution of the order of prohibition shall not be suspended.

"ARTICLE 10.—Any person who violates Art. 2 or Art. 4 shall be liable to a fine not exceeding thirty *yen* or to detention or a police fine.

"ARTICLE 11.—If any person does not leave within the period prescribed for his leaving or within the term of temporary suspension granted him or returns before the prescribed period of prohibition expires, he shall be liable to imprisonment not exceeding six months or to a fine not exceeding two hundred *yen*.

"ARTICLE 12.—Necessary rules besides the provisions of the present Regulations shall be established by the Chief of the Civil Administration Office.

"*Supplementary Rules.*—In regard to the residence and travel of Russian subjects, rules hitherto obtaining shall remain in force for the time being.

"The present Regulations shall take effect from the date of publication.

"The Regulations for the control of vessels sailing to and from Tairen Wan and of residents in Kwantung, Military Ordinance issued on the 7th September, 1905, and the Detailed Rules for the Operation of those Regulations, Ordinance No. 1 of the Civil Administration Office of Kwantung, are hereby rescinded.

"Kwantung Government-General,

"Port Arthur, September 1st, 1906 (39th year Meiji, 9th month, 1st day).

"(Sgd.) BARON YOSHIMARA OSHIMA,
Governor General."

Further regulations controlling foreigners were established by Government Order No. 16, March 20, 1918, as follows:

Regulations controlling Foreigners in Kwantung, March 20, 1918.

"ARTICLE I.—Foreigners who are considered to come under one of the following classifications may be excluded or deported from the Kwantung Leased Territory or the South Manchuria Railway settlements, by the chief of the civil administration, chief of the branch civil administration, or chief of the police station concerned:

"1. One who has no passport, or nationality certificate.

"2. One who acts against the interest of the empire, or who may be suspected of acting for the enemy.

"3. One who is likely to disturb the public peace or to deprave public morals.

"4. Paupers and professional beggars.

"5. Persons suffering from contagious diseases or other diseases of dangerous nature for public health.

"6. Imbeciles, feeble-minded persons, indigent persons, or who are likely to become a public burden.

"The passport or nationality certificate mentioned in classification 1 of the above paragraph must have been issued by the authorities of the bearer's country; must have a photograph of the bearer attached, and must have been visaed by an Ambassador, Minister, or consular officer of the Empire in that country.

"ARTICLE II.—The requirements of classification 1 of the first paragraph of Article I shall not be enforced against the subject or citizen of a country which does not require passports of subjects of the Empire.

"ARTICLE III.—Subjects of enemy countries are not allowed to enter or reside in the Kwantung Leased Territory or the South Manchuria Railway settlements; but this will not be applied to those who were allowed to do so by one of the officers mentioned in the first paragraph of Article I.

"ARTICLE IV.—A foreigner shall exhibit his passport, nationality certificate or permit to the police authorities upon their request, and must make a true statement in reply to their inquiries regarding classification as found in the first paragraph of Article I, and other necessary matters.

"ARTICLE V.—A person who contravenes the last Article, or unlawfully received or attempted to receive a permit, may be forbidden to enter or be deported from the Kwantung Leased Territory or the South Manchuria Railway settlements by the chief of the civil administration, chief of the branch civil administration, or chief of the police station concerned.

"ARTICLE VI.—These regulations shall not be applied to an ambassador, minister, their suites, consular officers and staff, and their families, nor to those who are on official business of the treaty Powers.

"Nor shall they apply to the crew of ships of the treaty Powers entering the ports of the Kwantung Leased Territory.

Supplementary.

"ARTICLE VII.—These regulations shall be enforced from the date of publication.

"ARTICLE VIII.—A person who is on his way to the Kwantung Leased Territory or the South Manchuria Railway settlements, and who cannot get a passport or nationality certificate, or its visa prescribed in Article I, shall not have classification 1, paragraph 1, of Article I applied to him."

Regulations relative to vessels sailing to and from the port of Tairen were also issued by the Governor-General on September 1, 1906, as follows:

Regulations relating to Vessels sailing to and from Tairen, September 1, 1906.

"ART. I.—Vessels are not permitted to sail to and from any port with the exception of the Port of Tairen. This does not apply to Chinese junks and steamers and sailing vessels navigating along the coast of Kwantung.

"ART. II.—Vessels shall embark or land their passengers and crew, and load or discharge their cargo at places designated by the Chief of the Civil Administration Office concerned.

"ART. III.—The master of a ship shall immediately on her entrance to a port, report the fact, to the Civil Administration Office, its Branch Office, or Police Authorities concerned, setting forth the following details:

"1. Kind of ship.

"2. Ship's name and signal code.

"3. Owner's name.

"4. Port of Registry.

"5. Gross and registered tonnage or number of *koku*.

"6. Fore and aft draft.

"7. Names of the crew.

"8. Description, quantity and value of the goods and the place where they were freighted.
"9. Passenger's name, domicile, residence, status, calling and age.
"10. Ports of departure and call and dates thereof.
"11. Sail time and destination.
"12. Accidents during the voyage.

"ART. IV.—Vessels entering the Port of Tairen shall not communicate with other vessels or land their passengers, crew or cargo before they have undergone health examination.

"ART. V.—If a vessel entering a port has had any case of contagious disease on board during the voyage, or departed from or arrived via places affected with such disease, or has any person on board who had communicated with any vessel so infected, she shall hoist a quarantine signal before her entrance to the port (in the case of the Port of Tairen, anchoring beyond 1½ nautical miles from shore) and await directions of the Authorities concerned.

"The quarantine signal shall be a yellow flag hoisted at the fore of a vessel in the daytime and at night a red and a white light displayed together.

"ART VI.—If a case of any contagious disease occurs on board a ship in port she shall hoist the quarantine signal, and report the fact to the quarantine or Police Authorities, and until the completion of quarantine or disinfection, she shall not be permitted to leave the port, to communicate with another vessel or to land her passengers or cargo.

"ART. VII.—If cases provided for in the two preceding Articles occur at a port without a quarantine station, the vessel shall, when ordered by the police authorities, immediately proceed to a port having such a station, to be put under quarantine.

"ART VIII.—The provisions of the three preceding Articles do not apply to military hospital ships.

"ART. IX.—Each vessel at anchor in a port shall fly her national flag in the daytime and at night shall display lights in accordance with the Law for Preventing Collisions at Sea.

"ART. X.—The master of a ship shall, 5 hours before her departure, report to the Civil Administration Office, its Branch Office, or Police Authorities concerned, the fact, setting forth the following details:—
"1. Day and hour of departure.
"2. Kind of vessel.
"3. Ship's name.
"4. Description, quantity, value and place of entry of the cargo.
"5. Each passenger's name, domicile, residence, status, calling and age.
"6. Ports of destination and call and expected dates of arrival and call.

"ART. XI.—The Chief of the Civil Administration Office concerned may, when he deems it necessary, cause proper officers to inspect vessels or order suspension of the embarkation and landing of their passengers and crews, or the loading and discharging of their cargoes.

"ART. XII.—Any person violating any one of Arts. IV., V., VI., and VII. shall be liable to a fine not exceeding one hundred *yen*.

"Any person violating Arts. III., IX., or X. or refusing inspection, or disobeying the orders provided in Art. XI. shall be liable to a fine not exceeding fifty *yen*.

"ART. XIII.—Necessary rules not provided for in the present Regulations shall be established by the Chief of the Civil Administration Office.

"*Supplementary Rules.*—In regard to the sailing of Russian vessels, rules hitherto obtaining shall remain in force for the time being.

"The present regulations shall take effect from the date of publication.

"(Sgd) BARON YOSHIMASA OSHIMA,
Governor-General.

"Kwantung Government-General.
"Port Arthur, September 1, 1906 (39th year Meiji, 9th month, 1st day)."

An ordinance regulating the opening of Port Arthur was issued on July 1, 1910, as follows:

Ordinance regulating Opening of Port Arthur, July 1, 1910.

"ART. I.—Japanese and foreign ships and warships may enter West Harbor of Port Arthur provided they observe the Port Arthur Harbor Regulations.

"ART. II.—The Governor-General of Kwantung may make necessary provisions and dispositions, provided they do not conflict with the provisions of the law respecting the defence work zone of Kwantung Province and the Port Arthur Harbor Regulations, within the limits of Port Arthur; with regard to matters, however, specially designated by the Minister President, he must previously consult with the Commander-in-Chief of the Port Arthur Naval Station.

"*Additional Article.*—The present Ordinance shall come into force on the day of its promulgation."

Note 2.

Arrangement for Conveyance of Chinese Government Stores by Antung-Mukden Railway, October 30, 1911.

"Arrangements have been made between the Chinese Government and the South Manchuria Railway Company for the conveyance of Chinese Government stores, etc., over the Antung-Mukden Line at a reduced scale of charges.

"1. Charges for carrying Chinese military stores, materials and machinery will be agreed upon at the time of conveyance.

"2. Half charges will be levied for the conveyance of arms, ammunition, horses and uniforms.

"3. Half charges will be levied for the conveyance of Chinese convicts and their accompanying guards.

"4. Bona fide students will be carried at half rates.

"5. The charges for transporting Chinese Government laborers will be decided upon at the time of transportation.

"6. Goods for public benefit and foodstuffs for the relief of famine-stricken districts will be conveyed free of charge.

"The Chinese text of the above agreement is to be considered as the ruling text.

"Signed on October 30, 1911, by His Excellency, Hsü T'ing Lin, *Commissioner for Foreign Affairs, Mukden,* and Yuan Hui Ho, *Secretary of the Board of Posts and Communications,* for the Chinese; and Mr. C. Koike, *Consul General for Japan,* [and?] *the Vice-President and Manager of the South Manchuria Railway Company,* for the Japanese."

NUMBER 1906/1.

GERMANY AND GREAT BRITAIN.

Exchange of notes respecting the reciprocal protection of trade-marks in China.—March 26, 1906.*

(1).—*Sir Edward Grey to Count Metternich.*

Foreign Office, March 23, 1906.

Your Excellency,

With reference to our recent conversations respecting the mutual protection of British and German trade-marks in China, I have the honour to state that under the Order in Council of the 2nd February, 1899,† it is open to a German whose trade-mark has been infringed by a British subject in China to take proceedings against the latter in the British Court, provided—

1. That the consent in writing of His Majesty's Minister or Chargé d'Affaires be obtained to the prosecution; but

2. Such consent may be withheld unless His Majesty's Minister or Chargé d'Affaires is satisfied that effectual provision exists for the punishment in the German Consular Court of German subjects infringing British trade-marks.

I have the honour to inform your Excellency that it is not open to doubt that in practice the consent of the British Minister would be given in any and every case where full reciprocity could be and was granted by Germany.

* Text (and translation) as printed in *Hertslet,* p. 616.

† For the relevant articles of the Order in Council of February 11, 1907, replacing the provisions of the Order in Council here cited, see note to the Anglo-American arrangement concerning trade-marks in China (No. 1905/4, *ante*).

His Majesty's Representative at Peking will be instructed accordingly, as soon as the German Government inform His Majesty's Government that it is open to British subjects to take proceedings before the German Consular Courts in China against persons subject to German Consular jurisdiction who infringe trade-marks duly registered in Germany, and that the German Consuls in China have received instructions in that sense.

I have, &c.,

EDWARD GREY.

(2).—*Count Metternich to Sir Edward Grey.*

[TRANSLATION.]

German Embassy, London, March 26, 1906.

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your Excellency's note of the 23rd instant, in which you state that it is open to a German subject in China to take proceedings in the competent British Consular Court against a British subject for infringement of his trade-marks, provided that the British diplomatic Representative in Peking gives his consent thereto in writing. This consent will, according to the contents of your Excellency's note above mentioned, be accorded without doubt in every case, provided that reciprocity is given.

In reply to your Excellency's note I am directed by my Government to state that the Imperial German Law for the protection of trade-marks of the 12th May, 1894 ("Reichsgesetzblatt," p. 441), is in force in the districts where there are German Consular Courts [§ 19 of the German Law on Consular Jurisdiction of the 7th April, 1900 ("Reichsgesetzblatt," p. 213)], and that, moreover, the German Consular Judges in China are authorized to take legal proceedings against persons subject to their jurisdiction who make unauthorized use of a trade-mark duly registered in Germany in favour of a British subject.

The German Consuls in China will be furnished with instructions in accordance with the foregoing.

I have, &c.,

P. METTERNICH.

NUMBER 1906/2.

GREAT BRITAIN AND CHINA.

Convention respecting Tibet (to which is annexed the convention between the United Kingdom and Tibet, signed at Lhasa, September 7, 1904).—April 27, 1906.*

WHEREAS His Majesty the King of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, and His Majesty the Emperor of China are sincerely desirous to maintain and perpetuate the relations of friendship and good understanding which now exist between their respective Empires;

And whereas the refusal of Tibet to recognise the validity of or to carry into full effect the provisions of the Anglo-Chinese Convention of March 17 1890 † and Regulations of December 5th 1893 ‡ placed the British Government under the necessity of taking steps to secure their rights and interests under the said Convention and Regulations;

And whereas a Convention of ten articles was signed at Lhasa on September 7th 1904 on behalf of Great Britain and Tibet, and was ratified by the Viceroy and Governor-General of India on behalf of Great Britain on November 11th, 1904, a declaration on behalf of Great Britain modifying its terms under certain conditions being appended thereto;

His Britannic Majesty and His Majesty the Emperor of China have resolved to conclude a Convention on this subject and have for this purpose named Plenipotentiaries, that is to say:—

His Majesty the King of Great Britain and Ireland:

Sir Ernest Mason Satow, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, His said Majesty's Envoy Extraordinary and Minister Plenipotentiary to His Majesty the Emperor of China;

and His Majesty the Emperor of China:

His Excellency Tong Shoa-yi, His said Majesty's High Commissioner Plenipotentiary and a Vice-President of the Board of Foreign Affairs;

who having communicated to each other their respective full powers and finding them to be in good and true form have agreed upon and concluded the following Convention in six articles:—

ARTICLE I.—The Convention concluded on September 7th 1904 by Great Britain and Tibet, the texts of which in English and Chinese are attached to the

* Text as printed in British *Treaty Series*, 1906, No. 9. Printed also in *Customs*, Vol. I, p. 652; *Hertslet*, 202.

In connection with this convention see also the convention between Great Britain and Russia, August 31, 1907 (No. 1907/16, *post*).

See also Note 1 to this document, post, p. 581.

† For this Convention, see *Hertslet*, p. 92.

‡ For these Regulations, see *ibid.*, p. 96.

present Convention as an annexe, is hereby confirmed, subject to the modification stated in the declaration appended thereto, and both of the High Contracting Parties engage to take at all times such steps as may be necessary to secure the due fulfilment of the terms specified therein.

ARTICLE II.—The Government of Great Britain engages not to annex Tibetan territory or to interfere in the administration of Tibet. The Government of China also undertakes not to permit any other foreign State to interfere with the territory or internal administration of Tibet.

ARTICLE III.—The concessions which are mentioned in Article 9 (*d*) of the Convention concluded on September 7th 1904 by Great Britain and Tibet are denied to any state or to the subject of any state other than China, but it has been arranged with China that at the trade marts specified in Article 2 of the aforesaid Convention Great Britain shall be entitled to lay down telegraph lines connecting with India.

ARTICLE IV.—The provisions of the Anglo-Chinese Convention of 1890 and Regulations of 1893 shall, subject to the terms of this present Convention and annexe thereto, remain in full force.

ARTICLE V.—The English and Chinese texts of the present Convention have been carefully compared and found to correspond but in the event of there being any difference of meaning between them the English text shall be authoritative.

ARTICLE VI.—This Convention shall be ratified by the Sovereigns of both countries and ratifications shall be exchanged at London within three months after the date of signature by the Plenipotentiaries of both Powers.§

In token whereof the respective Plenipotentiaries have signed and sealed this Convention, four copies in English and four in Chinese.

Done at Peking this twenty-seventh day of April, one thousand nine hundred and six, being the fourth day of the fourth month of the thirty-second year of the reign of Kuang-hsü.

(L.S.) ERNEST SATOW.
(Signature and Seal of the Chinese Plenipotentiary.)

ANNEX.

Convention between the Governments of Great Britain and Tibet signed at Lhasa on the 7th September 1904.

Declaration signed by His Excellency the Viceroy and Governor-General of India on behalf of the British Government and appended to the ratified Convention of the 7th September 1904.

§ Ratifications were exchanged at London, July 23, 1906.

Convention between the Governments of Great Britain and Tibet.

[*Signed also in Chinese.*]

Whereas doubts and difficulties have arisen as to the meaning and validity of the Anglo-Chinese Convention of 1890, and the Trade Regulations of 1893, and as to the liabilities of the Tibetan Government under these agreements; and Whereas recent occurrences have tended towards a disturbance of the relations of friendship and good understanding which have existed between the British Government and the Government of Tibet; and Whereas it is desirable to restore peace and amicable relations, and to resolve and determine the doubts and difficulties as aforesaid, the said Governments have resolved to conclude a Convention with these objects, and the following articles have been agreed upon by Colonel F. E. Younghusband, C.I.E., in virtue of full powers vested in him by His Britannic Majesty's Government and on behalf of that said Government, and Lo-Sang Gyal-Tsen, the Ga-den Ti-Rimpoche, and the representatives of the Council, and the three monasteries, Se-ra, Dre-pung and Ga-den, and of the ecclesiastical and lay officials of the National Assembly on behalf of the Government of Tibet.

I.—The Government of Tibet engages to respect the Anglo-Chinese Convention of 1890 and to recognize the frontier between Sikkim and Tibet, as defined in Article I of the said Convention, and to erect boundary pillars accordingly.

II.—The Tibetan Government undertakes to open forthwith trade marts to which all British and Tibetan subjects shall have free right of access at Gyantse and Gartok, as well as at Yatung.

The Regulations applicable to the trade mart at Yatung, under the Anglo-Chinese Agreement of 1893, shall, subject to such amendments as may hereafter be agreed upon by common consent between the British and Tibetan Governments, apply to the marts above mentioned.

In addition to establishing trade marts at the places mentioned, the Tibetan Government undertakes to place no restrictions on the trade by existing routes, and to consider the question of establishing fresh trade marts under similar conditions if development of trade requires it.

III.—The question of the amendment of the Regulations of 1893 is reserved for separate consideration, and the Tibetan Government undertakes to appoint fully authorized delegates to negotiate with representatives of the British Government as to the details of the amendments required.||

IV.—The Tibetan Government undertakes to levy no dues of any kind other than those provided for in the tariff to be mutually agreed upon.

V.—The Tibetan Government undertakes to keep the roads to Gyantse and Gartok from the frontier clear of all obstruction and in a state of repair suited to the needs of the trade, and to establish at Yatung, Gyantse, and Gartok, and at each of the other trade marts that may hereafter be established, a Tibetan Agent who shall receive from the British Agent appointed to watch over British trade

|| See Note 2 to this document, *post*, p. 582.

at the marts in question any letter which the latter may desire to send to the Tibetan or to the Chinese authorities. The Tibetan Agent shall also be responsible for the due delivery of such communications and for the transmission of replies.

VI.¶—As an indemnity to the British Government for the expense incurred in the despatch of armed troops to Lhasa, to exact reparation for breaches of treaty obligations, and for the insults offered to and attacks upon the British Commissioner and his following and escort, the Tibetan Government engages to pay a sum of pounds five hundred thousand—equivalent to rupees seventy-five lakhs—to the British Government.

The indemnity shall be payable at such place as the British Government may from time to time, after due notice, indicate whether in Tibet or in the British districts of Darjeeling or Jalpaiguri, in seventy-five annual instalments of rupees one lakh each on the 1st January in each year, beginning from the 1st January 1906.

VII.—As security for the payment of the above-mentioned indemnity, and for the fulfilment of the provisions relative to trade marts specified in Articles II, III, IV and V, the British Government shall continue to occupy the Chumbi valley until the indemnity has been paid and until the trade marts have been effectively opened for three years, whichever date may be the later.

VIII.—The Tibetan Government agrees to raze all forts and fortifications and remove all armaments which might impede the course of free communication between the British frontier and the towns of Gyantse and Lhasa.

IX.—The Government of Tibet engages that, without the previous consent of the British Government—

(*a*) no portion of Tibetan territory shall be ceded, sold, leased, mortgaged or otherwise given for occupation, to any Foreign Power;

(*b*) no such Power shall be permitted to intervene in Tibetan affairs;

(*c*) no Representatives or Agents of any Foreign Power shall be admitted to Tibet;

(*d*) no concessions for railways, roads, telegraphs, mining or other rights, shall be granted to any Foreign Power, or to the subject of any Foreign Power. In the event of consent to such concessions being granted, similar or equivalent concessions shall be granted to the British Government;

(*e*) no Tibetan revenues, whether in kind or in cash, shall be pledged or assigned to any Foreign Power, or to the subject of any Foreign Power.

X.—In witness whereof the negotiators have signed the same, and affixed thereunto the seals of their arms.

Done in quintuplicate at Lhasa, this 7th day of September in the year of our Lord one thousand nine hundred and four, corresponding with the Tibetan date, the 27th day of the seventh month of the Wood Dragon year.

‖ In connection with this and the following Article, see the Declaration of the Viceroy of India, September 7, 1904, annexed to this convention.

Tibet Frontier

F. E. YOUNGHUSBAND, *Col.*,
British Commissioner.

Commission.

Seal of the Dalai Lama, affixed by the Ga-den Ti-Rimpoche.

Seal of British Commissioner.

Seal of Council.

Seal of the Dre-pung Monastery.

Seal of Sera Monastery.

Seal of Ga-den Monastery.

Seal of National Assembly.

In proceeding to the signature of the Convention, dated this day, the representatives of Great Britain and Tibet declare that the English text shall be binding.

Tibet Frontier

F. E. YOUNGHUSBAND, *Col.*,
British Commissioner.

Commission.

Seal of the Dalai Lama, affixed by the Ga-den Ti-Rimpoche.

Seal of British Commissioner.

Seal of Council.

Seal of the Dre-pung Monastery.

Seal of Sera Monastery.

Seal of Ga-den Monastery.

Seal of National Assembly.

AMPTHILL,
Viceroy and Governor-General of India.

This Convention was ratified by the Viceroy and Governor-General of India in Council at Simla on the eleventh day of November, A.D., one thousand nine hundred and four.

S. M. FRASER,
Secretary to the Government of India,
Foreign Department.

Declaration signed by his Excellency the Viceroy and Governor-General of India and appended to the ratified Convention of 7th September 1904.

His Excellency the Viceroy and Governor-General of India, having ratified the Convention which was concluded at Lhasa on 7th September 1904 by Colonel Younghusband, C.I.E., British Commissioner for Tibet Frontier Matters, on behalf of His Britannic Majesty's Government; and by Lo-Sang Gyal-Tsen, the Ga-den Ti-Rimpoche, and the representatives of the Council, of the three monasteries Sera, Drepung, and Ga-den, and of the ecclesiastical and lay officials of the National Assembly, on behalf of the Government of Tibet, is pleased to direct as an act of grace that the sum of money which the Tibetan Government have bound themselves under the terms of Article VI of the said Convention to pay to His Majesty's Government as an indemnity for the expenses incurred by the latter in connection with the despatch of armed forces to Lhasa, be reduced from Rs. 75,00,000 to Rs. 25,00,000; and to declare that the British occupation of the Chumbi valley shall cease after the due payment of three annual instalments of the said indemnity as fixed by the said Article, provided, however, that the trade marts as stipulated in Article II of the Convention shall have been effectively opened for three years as provided in Article VI of the Convention; and that, in the meantime, the Tibetans shall have faithfully complied with the terms of the said Convention in all other respects.*

AMPTHILL,
Viceroy and Governor-General of India.

This declaration was signed by the Viceroy and Governor-General of India in Council at Simla on the eleventh day of November, A.D., one thousand nine hundred and four.

S. M. FRASER,
Secretary to the Government of India
Foreign Department.

Note 1.

In the *Statesman's Year Book*, 1916, p. 805, appears the statement that "A conference in which he [the Dalai Lama] is represented opened in Simla on October 13, 1913, with representatives of the Chinese and Indian Governments in order to negotiate a Tripartite Agreement regulating the future relations of Tibet with China and India.

"After prolonged negotiations a provisional agreement was reached on April 27th, 1914, when a Convention in 11 Articles, accompanied by an exchange of notes in 7 Articles, was initialled by the three representatives. This agreement provides that Tibet shall for administrative purposes be defined as Outer and Inner Tibet, in accordance with boundaries shown on a map affixed to the Convention, Inner Tibet being that portion of Tibet adjacent to China. It stipulates that Tibet forms part of Chinese territory, and is under Chinese suzerainty. It recognizes the autonomy of Outer Tibet, engages on the part of England and China to abstain from interference in the administration of Outer Tibet; China undertaking not to convert Tibet into a Chinese province, and engaging that Outer Tibet shall not be represented in any future Chinese Parliament. China engages not to send troops into Outer Tibet, nor to station civil or military officers, nor establish

* *Hertslet* (p. 622) notes that the final instalment of the indemnity was paid on January 27, 1908, and that the Chumbi Valley was evacuated on February 8, 1908.

Chinese colonies in that region. Any troops or officials remaining in Outer Tibet at the date of signature, shall be withdrawn within three months. A Chinese high official may be stationed as in the past at Lhasa, with an escort not exceeding 300 men. The British Agent at Gyantze may visit Lhasa with his escort should occasion require.

"The Tibetan Trade Regulations of 1893 and 1908 are cancelled, as well as Article 3 of the Convention of April 27th, 1906. China is also released from the engagement under Article 3 of the Convention of March 17th, 1890. Difficulties arising between the Chinese and Tibetan Governments out of this Convention shall be referred to the British Government for adjustment.

"The action of the Chinese representative in initialling this provisional Convention was repudiated by China, and under instructions he abstained from signing the final Convention which in the same terms was duly signed by the British and Tibetan authorities on July 3rd, 1914. In accordance with the notification conveyed to the Chinese Government by the British Government, China, so long as she declines to sign this Convention, is deprived of all advantages and privileges secured to her under the Convention.

"China's refusal to sign is based upon her objection to the inclusion of Chiamdo in Outer Tibet, and the inclusion of Litang and Batang, which she claims to be part of Suchuan Province, in Inner Tibet. China's representative has returned to Peking. The Convention and exchange of notes referred to, signed by the British and Tibetan representatives on July 3rd, 1914, have not yet been officially made public."

It is understood that no change has since occurred in the status of the situation thus outlined.

Note 2.

Regulations respecting trade in Tibet, amending those of December 5, 1893, were signed at Calcutta, April 20, 1908, and ratifications thereof exchanged at Peking, October 14, 1908. The text (as given in British *Treaty Series,* 1908, No. 35), is as follows:

Tibet Trade Regulations.

"Preamble.

"Whereas by Article 1 of the Convention between Great Britain and China on the 27th April, 1906, that is the 4th day of the 4th moon of the 32nd year of Kwang Hsü, it was provided that both the High Contracting Parties should engage to take at all times such steps as might be necessary to secure the due fulfilment of the terms specified in the Lhasa Convention of 7th September, 1904, between Great Britain and Tibet, the text of which in English and Chinese was attached as an Annexe to the above-mentioned Convention;

"And whereas it was stipulated in Article 3 of the said Lhasa Convention that the question of the amendment of the Tibet Trade Regulations which were signed by the British and Chinese Commissioners on the 5th day of December 1893 should be reserved for separate consideration, and whereas the amendment of these Regulations is now necessary;

"His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, and His Majesty the Emperor of the Chinese Empire have for this purpose named as their Plenipotentiaries, that is to say:

"His Majesty the King of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India,—Mr. E. C. Wilton, C.M.G.;

"His Majesty the Emperor of the Chinese Empire—His Majesty's Special Commissioner Chang Yin Tang;

"And the High Authorities of Tibet have named as their fully authorised Representative to act under the directions of Chang Tachen and take part in the negotiations—The Tsarong Shape, Wang-Chuk Gyalpo.

"And whereas Mr. E. C. Wilton and Chang Tachen have communicated to each other since their respective full powers and have found them to be in good and true form and have found the authorisation of the Tibetan Delegate to be also in good and true form, the following amended Regulations have been agreed upon:—

"1.—The Trade Regulations of 1893 shall remain in force in so far as they are not inconsistent with these Regulations.

"2.—The following places shall form, and be included within, the boundaries of the Gyantse mart:—

"(*a.*) The line begins at the Chumig Dangsang (Chhu-Mig-Dangs-Sangs) north-east of the Gyantse Fort, and thence it runs in a curved line, passing behind the Pekor-Crode (Dpal-Hkhor-Choos-Sde), down to Chag-Dong-Gang (Phyag-Gdong-Sgang); thence, passing straight over the Nyan Chu, it reaches the Zamsa (Zam-Srag). (*b.*) From the Zamsa

the line continues to run, in a south-eastern direction, round to Lachi-To (Gla-Dkyii-Stod), embracing all the farms on its way, viz., The Lahong; The Hogtso (Hog-Mtsho); The Tong-Chung-Shi (Grong-Chhung-Gshis); and the Rabgang (Rab-Sgang), &c. (*c.*) From Lachi-To the line runs to the Yutog (Gyu-Thog), and thence runs straight, passing through the whole area of Gamkar-Shi (Ragal-Mkhar-Gshis), to Chumig Dangsang.

"As difficulty is experienced in obtaining suitable houses and godowns at some of the marts, it is agreed that British subjects may also lease lands for the building of houses and godowns at the marts, the locality for such building sites to be marked out specially at each mart by the Chinese and Tibetan authorities in consultation with the British Trade Agent. The British Trade Agents and British subjects shall not build houses and godowns except in such localities, and this arrangement shall not be held to prejudice in any way the administration of the Chinese and Tibetan Local Authorities over such localities, or the right of British subjects to rent houses and godowns outside such localities for their own accommodation and the storage of their goods.

"British subjects desiring to lease building sites shall apply through the British Trade Agent to the Municipal Office at the mart for a permit to lease. The amount of rent, or the period or conditions of the lease, shall then be settled in a friendly way by the lessee and the owner themselves. In the event of a disagreement between the owner and lessee as to the amount of rent or the period or conditions of the lease, the case will be settled by the Chinese and Tibetan Authorities, in consultation with the British Trade Agent. After the lease is settled, the sites shall be verified by the Chinese and Tibetan Officers of the Municipal Office conjointly with the British Trade Agent. No building is to be commenced by the lessee on a site before the Municipal Office has issued him a permit to build, but it is agreed that there shall be no vexatious delays in the issue of such permit.

"3.—The administration of the trade marts shall remain with the Tibetan Officers, under the Chinese Officers' supervision and directions.

"The Trade Agents at the marts and Frontier Officers shall be of suitable rank, and shall hold personal intercourse and correspondence one with another on terms of mutual respect and friendly treatment.

"Questions which cannot be decided by agreement between the Trade Agents and the Local Authorities shall be referred for settlement to the Government of India and the Tibetan High Authorities at Lhasa. The purport of a reference by the Government of India will be communicated to the Chinese Imperial Resident at Lhasa. Questions which cannot be decided by agreement between the Government of India and the Tibetan High Authorities at Lhasa shall, in accordance with the terms of Article 1 of the Peking Convention of 1906, be referred for settlement to the Governments of Great Britain and China.

"4.—In the event of disputes arising at the marts between British subjects and persons of Chinese and Tibetan nationalities, they shall be enquired into and settled in personal conference between the British Trade Agent at the nearest mart and the Chinese and Tibetan Authorities of the Judicial Court at the mart, the object of personal conference being to ascertain facts and to do justice. Where there is a divergence of view the law of the country to which the defendant belongs shall guide. In any of such mixed cases, the Officer, or Officers of the defendant's nationality shall preside at the trial; the Officer, or Officers of the plaintiff's country merely attending to watch the course of the trial.

"All questions in regard to rights, whether of property or person, arising between British subjects, shall be subject to the jurisdiction of the British Authorities.

"British subjects, who may commit any crime at the marts or on the routes to the marts, shall be handed over by the local authorities to the British Trade Agent at the mart nearest to the scene of offence, to be tried and punished according to the laws of India, but such British subjects shall not be subjected by the local authorities to any ill-usage in excess of necessary restraint.

"Chinese and Tibetan subjects, who may be guilty of any criminal act towards British subjects at the marts or on the routes thereto, shall be arrested and punished by the Chinese and Tibetan Authorities according to law.

"Justice shall be equitably and impartially administered on both sides.

"Should it happen that Chinese or Tibetan subjects bring a criminal complaint against a British subject before the British Trade Agent, the Chinese or Tibetan Authorities shall have the right to send a representative, or representatives, to watch the course of trial in the British Trade Agent's Court. Similarly, in cases in which a British subject has reason to complain of a Chinese or Tibetan subject in the Judicial Court at the mart, the British Trade Agent shall have the right to send a representative to the Judicial Court to watch the course of trial.

"5.—The Tibetan Authorities, in obedience to the instructions of the Peking Government, having a strong desire to reform the judicial system of Tibet, and to bring it into accord with that of Western nations, Great Britain agrees to relinquish her rights of extra-territoriality in Tibet, whenever such rights are relinquished in China, and when she is satisfied that the state of the Tibetan laws and the arrangements for their administration and other considerations warrant her in so doing.

"6.—After the withdrawal of the British troops, all the rest-houses, eleven in number, built by Great Britain upon the routes leading from the Indian frontier to Gyantse, shall be taken over at original cost by China and rented to the Government of India at a fair rate. One-half of each rest-house will be reserved for the use of the British officials employed on the inspection and maintenance of the telegraph lines from the marts to the Indian frontier and for the storage of their materials, but the rest-houses shall otherwise be available for occupation by British, Chinese and Tibetan officers of respectability who may proceed to and from the marts.

"Great Britain is prepared to consider the transfer to China of the telegraph lines from the Indian frontier to Gyantse when the telegraph lines from China reach that mart and in the meantime Chinese and Tibetan messages will be duly received and transmitted by the line constructed by the Government of India.

"In the meantime China shall be responsible for the due protection of the telegraph lines from the marts to the Indian frontier and it is agreed that all persons damaging the lines or interfering in any way with them or with the officials engaged in the inspection or maintenance thereof shall at once be severely punished by the local authorities.

"7.—In law suits involving cases of debt on account of loans, commercial failure, and bankruptcy, the authorities concerned shall grant a hearing and take steps necessary to enforce payment; but, if the debtor plead poverty and be without means, the authorities concerned shall not be held responsible for the said debts, nor shall any public or official property be distrained upon in order to satisfy these debts.

"8.—The British Trade Agents at the various trade marts now or hereafter to be established in Tibet may make arrangements for the carriage and transmission of their posts to and from the frontier of India. The couriers employed in conveying these posts shall receive all possible assistance from the local authorities whose districts they traverse and shall be accorded the same protection as the persons employed in carrying the despatches of the Tibetan Authorities. When efficient arrangements have been made by China in Tibet for a Postal Service, the question of the abolition of the Trade Agents' couriers will be taken into consideration by Great Britain and China. No restrictions whatever shall be placed on the employment by British officers and traders of Chinese and Tibetan subjects in any lawful capacity. The persons so employed shall not be exposed to any kind of molestation or suffer any loss of civil rights to which they may be entitled as Tibetan subjects, but they shall not be exempted from all lawful taxation. If they be guilty of any criminal act, they shall be dealt with by the local authorities according to law without any attempt on the part of their employer to screen or conceal them.

"9.—British officers and subjects, as well as goods, proceeding to the trade marts, must adhere to the trade routes from the frontier of India. They shall not, without permission, proceed beyond the marts, or to Gartok from Yatung and Gyantse, or from Gartok to Yatung and Gyantse, by any route through the interior of Tibet, but natives of the Indian frontier, who have already by usage traded and resided in Tibet, elsewhere than at the marts shall be at liberty to continue their trade, in accordance with the existing practice, but when so trading or residing they shall remain, as hereofore, amenable to the local jurisdiction.

"10.—In cases where officials or traders, *en route* to and from India or Tibet are robbed of treasure or merchandise, public or private, they shall forthwith report to the Police officers, who shall take immediate measures to arrest the robbers, and hand them to the Local Authorities. The Local Authorities shall bring them to instant trial, and shall also recover and restore the stolen property. But, if the robbers flee to places out of the jurisdiction and influence of Tibet, and cannot be arrested, the Police and the Local Authorities shall not be held responsible for such losses.

"11.—For public safety tanks or stores of kerosene oil or any other combustible or dangerous articles in bulk must be placed far away from inhabited places at the marts.

"British or Indian merchants, wishing to build such tanks or stores, may not do so until, as provided in Regulation 2, they have made application for a suitable site.

"12.—British subjects shall be at liberty to deal in kind or in money, to sell their goods to whomsoever they please, to purchase native commodities from whomsoever they please, to hire transport of any kind, and to conduct in general their business transactions in conformity with local usage and without any vexatious restrictions or oppressive exactions whatever.

"It being the duty of the Police and Local Authorities to afford efficient protection at all times to the persons and property of the British subjects at the marts, and along the routes to the marts China engages to arrange effective police measures at the marts and along the routes to the marts. On due fulfilment of these arrangements, Great Britain undertakes to withdraw the Trade Agents' guards at the marts and to station no troops in Tibet so as to remove all cause for suspicion and disturbance among the inhabitants. The Chinese Authorities will not prevent the British Trade Agents holding personal intercourse and correspondence with the Tibetan officers and people.

"Tibetan subjects trading, travelling or residing in India shall receive equal advantages to those accorded by this Regulation to British subjects in Tibet.

"13.—The present Regulations shall be in force for a period of ten years reckoned from the date of signature by the two Plenipotentiaries as well as by the Tibetan Delegate; but if no demand for revision be made on either side within six months after the end of the first ten years, then the Regulations shall remain in force for another ten years, from the end of the first ten years; and so it shall be at the end of each successive ten years.

"14.—The English, Chinese and Tibetan texts of the present Regulations have been carefully compared, and, in the event of any question arising as to the interpretation of these Regulations, the sense as expressed in the English text shall be held to be the correct sense.

"15.—The Ratifications of the present Regulations under the hand of His Majesty the King of Great Britain and Ireland, and of His Majesty the Emperor of the Chinese Empire, respectively, shall be exchanged at London and Peking within six months from the date of signature.

"In witness whereof the two Plenipotentiaries and the Tibetan Delegate have signed and sealed the present Regulations.

"Done in quadruplicate at Calcutta, this twentieth day of April, in the year of our Lord nineteen hundred and eight, corresponding with the Chinese date, the twentieth day of the third moon of the thirty-fourth year of Kuang Hsü.

"(L.S.) E. C. WILTON,
British Commissioner.

"Signature of
(L.S.) CHANG YIN TANG,
Chinese Special Commissioner.
"Signature of
(L.S.) WANG CHUK GYALPO,
Tibetan Delegate."

NUMBER 1906/3.

INTERNATIONAL AND CHINA.

International postal convention, and convention concerning the exchange of parcels post.—May 26, 1906.

[The International Postal Convention, and the Convention concerning the exchange of parcels post, with their respective *Règlements d'Exécution*, which were concluded at Rome on May 26, 1906, do not appear to have such a particular interest in relation to China as to warrant the reproduction of the texts in the present compilation.

China gave notice of its adherence to the postal convention by a dispatch dated February 5, 1914, addressed by H. E. Sun Pao-chi, President of the Council of Ministers and Minister for Foreign Affairs, to the President of the Swiss Confederation, of which the translation is as follows:

"The Chinese Government, deeming that the organization of its domestic and international postal service (the creation of which dates from 1896) is sufficiently advanced to justify the establishment of closer relations, equally more advantageous to both parties, with the countries of the Union, desires to enter the Universal Postal Union.

"In conformity with Article 24, paragraph 2, of the Universal Postal Convention of May 26, 1906,* I have therefore the honor to notify the High Federal Council of the

* Article 24 reads (in translation from the French text) as follows:
"*Adherences to the convention*—
"1.—Countries which have not taken part in the present convention are admitted to adhere to it upon their demand.
"2.—This adherence is notified diplomatically to the Government of the Swiss Confederation, and by that Government to all the countries of the Union.
"3.—It implies, as a matter of course, accession to all the clauses and admission to all the advantages for which the present convention stipulates.
"4.—It devolves upon the Government of the Swiss Confederation to determine, by common consent with the Government of the country concerned, the share to be contributed by the administration of this latter country towards the expenses of the international bureau, and, if necessary, the rates to be levied by that administration in conformity with the foregoing Article 10."
Article 7 of the final protocol of the Universal Postal Congress at Rome, signed on May 26, 1906, contains the following provisions: "Salvador, which forms part of the postal union, not having been represented at the congress, the protocol remains open to it in order that it may adhere to the conventions which have been concluded there, or only to one or other of them. . . . The protocol likewise remains open to the Chinese Empire and the Empire of Ethiopia, whose delegates to the congress have announced the intention of those countries to enter the Universal Postal Union on a date to be fixed hereafter."

adherence of China to that convention, as also to the *Règlement d'Exécution* appended to it, to date from March 1 next.

"In order, however, to permit of undertaking, if there be occasion, in certain respects, an adjustment of the existing procedure in so far as concerns the exchange service, the Chinese Government desires it to be understood that the provisions and regulations of the Union will come into full effect as regards China only from September 1.

"Accept, etc."

By a dispatch of May 16, 1914, to the President of the Swiss High Federal Council, the Minister for Foreign Affairs likewise gave notice of China's adherence to the parcels post convention, in the following terms (as translated from the French text):

"The Chinese Government, which by its dispatch of February 5 last notified the High Federal Council of China's adherence to the Universal Postal Convention of May 26, 1906, furthermore desires to participate in the international service for the exchange of parcels post of the Universal Postal Union.

"In conformity with Article 20, paragraph 1, of the convention of May 26, 1906, concerning the exchange of parcels post,† I have the honor to notify the High Federal Council of the adherence of China to that convention, as also to the *Règlement d'Exécution* appended to it, to come into full effect from September 1, 1914.

"Accept, etc."

In regard to the effect of these adherences to the Rome conventions of May 26, 1906, the Postmaster General of China (Mr. T. Piry) had occasion to address to the Director of the International Bureau of the Universal Postal Union, under date of March 18, 1915, a communication of which the translation is as follows:

"I have the honor to request you to be so good as to communicate the following to the countries of the Postal Union:

"Having effectively entered the Universal Postal Union on September 1, 1914, China ought from that date to enjoy the rights and benefits accruing, to all the members of the union, out of the provisions of the Universal Postal Convention (Article 24, §3, of the Rome convention).

"In that conviction, the administration of Chinese posts immediately sought to organize a direct exchange of mails between China and certain other countries.

"While the majority of those countries have welcomed the proposals of the Chinese administration, and while others have not yet been able to carry them into effect because of preoccupations resulting from the war, there are some which have raised objections to the application of the provisions of Article 4, §§1 and 2, of the Rome convention, and of Article 1, §1, of the *Règlement d'Exécution* of that convention.‡

"Two of those countries, for example, have forbidden the navigation companies subsidized by their Governments, and thus coming under the category of third services as defined in Article 3, §2, of the Universal Postal Convention, to receive aboard their vessels touching at Chinese ports mails presented by the Chinese offices.

"In order the better to define the situation that has been created for it, China believes it necessary to recall that, at the time of notifying the Swiss High Federal Council of its adherence to the convention of May 26, 1906, as a matter of courtesy it invited the attention of those countries, with which it had previously concluded postal treaties, to the abrogation of those treaties in conformity with the stipulations of Article 29 of the said convention.

"As regards the effects of the entry of China into the Postal Union, it is incontestable that the adherence of this country to the Rome convention had the effect of rendering void

† Article 20 reads (in translation from the French text) as follows:

"*Adherences to the convention*—

"1.—The countries of the Universal Postal Union which have not taken part in the present convention are admitted to participate in it on their demand, and subject to the formalities prescribed by Article 24 of the principal convention in the case of entries into the Universal Postal Union.

"2.—Nevertheless, if the country which desires to participate in the present convention claims a right to levy a surtax greater than 25 centimes per parcel, the Government of the Swiss Confederation will submit to all the contracting parties the request for participation. This request is considered as acceded to, if within six months no objection has been raised."

‡ Article 4 of the convention relates to transit rates: §§ 1 and 2 of it read (in translation) as follows:—

"1.—The right of transit is guaranteed throughout the entire territory of the Union.

"2.—Consequently, the several postal administrations of the Union may send reciprocally through the medium of one or of several of them, either closed mails or articles in open mail, according to the needs of the traffic and the convenience of the postal service."

Article 1 of the *Règlement d'Exécution* relates to forwarding of mails; § 1 of it reads (in translation) as follows:

"1.—Each administration is bound to forward, by the most rapid routes at its disposal for its own mails, the closed mails and the articles in open mail which are delivered to it by another administration.

"In the event of an administration finding itself obliged, by exceptional circumstances, to suspend temporarily the dispatch of closed mails and articles in open mail which are delivered to it by another administration, it is bound at once to notify the fact, if necessary by telegraph, to the administration or administrations concerned."

the provisions (in §1 of Article 44 of the *Règlement d'Exécution*)§ referring to the post-offices which various countries maintain upon its territory.

"Article 1 of the Universal Postal Convention || lays down this fundamental principle—that the Postal Union is composed of the totality of *adhering countries* (and not of postal administrations), which form a single postal territory. Article 44 of the *Règlement d'Exécution* of that convention can thereafter only define the limits of that single territory in enumerating:

"1) Countries which, not having signed the convention, but being politically dependent upon countries of the Union, cannot be excluded from the benefit of the same rights and privileges as the latter;

"2) Postal establishments maintained by countries of the Union outside the territorial limits of the latter.

"There can therefore be no warrant, in the text of the said Article 44, without violation of the principle laid down by Article 1 of the convention, for offices maintained by Union countries in other Union countries.

"The terms of the 2nd clause of Article 10 of the Rome convention, and those of Article 44, §2, of the *Règlement d'Exécution*, confirm the fact that only post offices operating in countries outside the Union can properly be comprised under §1 of the said Article 44.

"It was, besides, impossible for China to ask, in advance of its adherence to the Rome convention,—an adherence which could not involve any restriction or reserve,—the modification of Article 44 of the *Règlement d'Exécution* of that convention, as such modification could be initiated only upon the request of one of the administrations of the Union, and in accordance with the long and complicated procedure contemplated by Article 45.

"Relying upon the principles inscribed in the Universal Postal Convention, and in agreement on this point with the jurists in international law of all countries, China considers that by virtue of its entry into the Union, the offices maintained upon its territory by other countries of the Union have ceased to have a legal existence.

"Although in consequence of the difficulties mentioned above and those that have their origin in the present events of the war, China has found itself obliged, in order not to impede the transmission of its mails, to continue temporarily for the purpose of its relations with other countries to have recourse to the intermediation of certain of the foreign post offices established upon its territory, or to accept this intermediation, it must declare that this course of action implies no recognition on its part of the legality of those offices, and furthermore that no status, in that respect, can be created by the written communications that have been or that may hereafter be exchanged in regard to them, either with those offices or with the administrations to which they belong.

"China protests against the maintenance, by the majority of the foreign post offices operating upon its territory, of tariffs lower than those fixed by Article 5 of the Rome convention, for the payment of postage upon mails exchanged by those offices, either between themselves or with the countries to which they respectively belong.

"Article 2 of the Rome convention stipulates in effect that the provisions of that convention apply to mails *originating in one of the countries of the Union and destined to another country of the Union.*

"On this occasion, and to refute an opinion that has been expressed in China, the latter feels it should observe that the restricted Unions, contemplated by Article 21 of the convention, can, by their definition, be established only as between countries, and not between the offices maintained by a country outside of its own territory, and that country.

"As regards the tariffs applied by foreign post offices of the same nationality operating in Chinese territory, in their relations with each other, it is undeniable that the field of action for the exercise of the sovereign rights of a Union country, in the fixing of tariffs applicable to mails exchanged between its own offices, ends at the territorial limits of the other countries of the Union.

§ Article 44 of the *Règlement d'Exécution* relates to the jurisdiction of the Union; the relevant clauses of it read (in translation) as follows:

"1.—The following are considered as belonging to the Universal Postal Union:

1st.—The German post offices established in China and in Morocco, as subordinate to the Postal Administration of Germany;

5th.—The Principality of Monaco and the French post offices established in Morocco and in China, as subordinate to the Postal Administration of France;

6th.—The post offices which the administration of the French Colonies and Protectorates of Indo-China maintains in China, as subordinate to that administration;

8th.—The post offices which the administration of the British Colony of Hongkong maintains in China;.

11th.—The post offices which the Japanese administration has established in China.

"2.—In the interval which elapses between the meetings, the administrations of Union countries opening in countries foreign to the Union post offices which are to be regarded as belonging to the Union, are to communicate the fact to the administrations of all the other Union countries, through the medium of the international bureau."

|| Article 1 of the convention, under the heading "Definition of the Postal Union," reads (in translation) as follows:—

"The countries between which the present convention is concluded, as well as those which may adhere to it hereafter, form under the title of *Universal Postal Union*, a single postal territory for the reciprocal exchange of correspondence between their post offices."

"China, having adhered as from September 1 last to the Rome convention concerning the exchange of parcels post, must declare that what has been said above, in regard to the temporary continuation, necessitated by circumstances, of the intermediation of foreign post offices established upon its territory, applies likewise to the parcels post service.

"Accept, etc."

The following arrangements, previously concluded, appear to have been cancelled by the adherence of the Chinese Government to the International Postal Convention and Parcels Post Convention of May 26, 1906:

With France, postal arrangement signed at Peking, February 3, 1900, and parcel post arrangement signed at Peking, October 21, 1904;

With Germany, postal arrangement signed at Peking, October 25, and at Shanghai, November 3, 1905, and parcel post arrangement signed at Peking, July 19, and at Shanghai, August 26, 1910;

With Hongkong, postal arrangement signed at Hongkong, December 12, and at Peking, December 29, 1904;

With Indo-China, parcels post arrangement, signed at Saigon, July 24, and at Peking, September 21, 1911;

With Japan, postal agreement and parcel post agreement, both signed at Peking, February 9, 1910;

With Natal, postal arrangement signed at Peitermaritzburg, October 28, and at Peking, December 27, 1905; and

With Russia, postal arrangement signed at Peking, February 6/19, 1909.

The texts of these arrangements (omitting formal parts) are printed herewith, in chronological order.

France.

ARRANGEMENT SETTING FORTH THE RELATIONS ESTABLISHED BETWEEN THE POSTAL ADMINISTRATION OF FRANCE AND THE POSTAL ADMINISTRATION OF CHINA.

February 3rd, 1900

ARTICLE I.—EXCHANGE OF MAILS.—1.—There shall be between the Postal Administration of France and the Postal Administration of China a regular exchange of postal articles of all kinds—ordinary, registered, international or in transit, closed or *à découvert*—by any means of transport, ordinary or special, now established and hereafter established, which each Administration may have at its disposal.

2.—The exchange of mails between the two Administrations will take place through the French Post Offices established in China and the Chinese Post Offices established in the same localities as these French Post Offices. Other Offices may besides be designated on consultation for the exchange of mails wherever postal requirements may demand it.

ARTICLE II.—TRANSPORT OF MAILS.—1.—The Chinese Post Offices will accept from the French Post Offices mails, closed or *à découvert*, destined for Chinese, French, or foreign Post Offices established in or out of China, and will undertake to transmit them to destination by any means of transport at the disposal of the Chinese Administration.

2.—The French Post Offices will accept from the Chinese Post Offices mails, closed or *à découvert*, destined for Chinese, French, or foreign Post Offices established in or out of China, and will undertake to transmit them to destination by any means of transport at the disposal of the French Administration.

3.—Each Administration will support the cost of maintenance of the transport services, ordinary or special, which it may establish for the carriage of mails, but will be entitled to claim payment of the transit charges hereunder stipulated in Article V.

ARTICLE III.—REMITTING OF MAILS.—1.—The remitting of mails, closed or *à découvert*, from one Administration to the other will take place at the Offices or any other authorised places for exchange and will be made from hand to hand between agents regularly appointed for this duty.

2.—The duplicate copy of the Way Bill, called *Part*, brought by the remitting agent and indicating the number of packages or bags remitted, will be at once signed by the receiving agent and handed back to him as acknowledgment of receipt. Inside each package or bag a *Feuille d'Avis* will be enclosed, containing the particulars called for in Article [XX of the "Règlement" appended to the International Convention of Washington] *XXI of the "Règlement d'Exécution" of the International Convention of Rome.*

3.—From the moment this agent has taken delivery of the mails and issued an acknowledgment of receipt without making any observation as to the number or condition of the packages or bags, the despatching Office will be discharged of further responsibility, which thereafter will lie with the receiving Office.

ARTICLE IV.—POSTAGE AND DELIVERY.—1.—Each Administration will use its own postage stamps to frank any mail matter, whatever its destination, originating in its own Offices, and will deliver to the addressees free of additional charge in all the localities where it has a Post Office any mail matter, whatever its origin, which arrives duly and sufficiently prepaid by means of postage stamps of the other Administration.

2.—Each Administration fixes its tariffs. It is understood that the French Administration will not apply to mail matter exchanged between its own Offices in China taxes lower than those adopted by the Chinese Administration. On the other hand, the Chinese Administration will comply, in respect of any mail matter it may exchange with the Union countries through the French Offices, with the stipulations of Article 5 of the [Convention of Washington] *International Convention of Rome.* The two Administrations will communicate to each other their tariffs.

3.—Mail matter destined for places inland where no Post Office, Chinese or French, is yet opened will be sent to destination through private agencies at the risk and expense of the addressees.

4.—Should it happen that, on Chinese territory and in the same town, both a Chinese and a French Post Office exist, each Office will undertake the delivery of any mail matter arriving to its

address. But the French Post Offices may continue, by payment of an adequate tax, to avail themselves of the services of the Chinese Offices to ensure the distribution of their mail matter.

ARTICLE V.—Transit Charges.—1.—Closed mails [and correspondence *à découvert*] despatched on account of Chinese or French Post Offices by means of the transport services of one or the other of the contracting Administrations will be submitted, to the benefit of the Administration whose services carry these mails, to the following transit charges:—

(*a.*) Within the Chinese Empire and along the littoral of China, foreign bordering countries included, when the distance does not exceed 1,500 nautical miles, and when both the Chinese and the foreign ports are united by the same line of steamers—

1°. For territorial transit by rail, and also for maritime transit not exceeding 300 nautical miles, [2 francs] *1 franc 50 centimes* per kilogramme of letters or postcards, and [25] *20* centimes per kilogramme of other articles;

2°. For territorial transit by courier, and also for maritime transit exceeding 300 nautical miles, [5] *4* francs per kilogramme of letters and postcards, and 50 centimes per kilogramme of other articles.

(*b.*) Outside of the Chinese Empire, for any transport of mails other than the categories provided for in the preceding paragraph, (*a.*):

1°. For territorial or maritime transit, the amounts, per kilogramme of letters or other articles, fixed by Article [4 of the "Convention Principale" of Washington, calculated, according to distances and the countries traversed, in the Table E published by the contracting Administrations] *4, § 3, of the "Convention Principale" of Rome.*

2°. *Correspondence passing* à découvert *is subject to the following transit charges per article, and irrespective of weight or destination, namely*:

Letters . . . . . 6 centimes each.
Postcards . . . . . 2½ centimes each.
Other articles . . . . . 2½ centimes each.

[2°.] *3°.* As to correspondence franked by means of Chinese postage stamps destined for France and her dependencies or for foreign countries [whether despatched closed or *à découvert,*] in transit through the French Post Offices, they will be forwarded to their respective destinations in the same manner and liable to the same transit charges as the correspondence remitted to the French Offices by the other Administrations of the Postal Union. The transit charges will be guaranteed by the French Administration and periodically refunded by the Chinese Administration.

2.—It is understood—

1°. That any territorial transit by rail is free of charge if the Administration concerned is already entitled to claim, on the mail matter thus conveyed by rail, refund for maritime transit;

2°. That any transit on the Yangtze-kiang is considered as maritime transit;

3°. That any mail matter originating from foreign countries, remitted *à découvert* at the place of landing by a French Office to a Chinese Office or *vice versâ,* to be transmitted to inland places, will be exempted from transit charges;

4°. That the reductions or exemptions stipulated in Article 4 of the Convention of [Washington] *Rome* will also apply to the present Arrangement.

3.—Charges for transport of mails by means of services or ships independent of the French or Chinese Administrations will be settled under the terms agreed between the interested parties.

ARTICLE VI.—Men-of-War Mails.—The closed mails handed in to the Chinese Offices by a French bureau for transmission to the commander of a man-of-war of whatever nationality, or by the commander of a man-of-war of whatever nationality for transmission to a French bureau, will be subjected, in account with the French bureau sender or receiver, to the transit charges enumerated in the preceding Article.

ARTICLE VII.—Transit Statistics.—The balancing of the transit charges account will necessitate an annual settlement between the two Administrations, to be calculated on the basis of statistics taken annually under the rules laid down in the Conventions of the Postal Union in force at the time. These statistics will be taken each year during the first 28 days of the months of May and November alternately.

ARTICLE VIII.—Parcel Post.—1.—The exchange of parcels, as also the exchange of money orders, letters with declared value of contents, etc., will be made the subject of special arrangements as soon as the principal Arrangement is put in force.

2.—Meanwhile, in order to offer immediate facilities for the exchange of parcels, the Chinese Administration is willing—

(*a.*) To transmit and distribute, on condition that the addressee will pay the domestic tariff, the parcels—ordinary, insured, or taxed with trade charges—emanating from Union countries handed in by a French Office;

(*b.*) To transmit to French Offices, after payment of the domestic tariff by the sender, the parcels—ordinary, insured, or taxed with trade charges—destined for Union countries which may be handed in by the public.

3.—As to domestic parcels emanating from or destined for Kwangchowwan, and also the parcels transmitted in closed bags from one Office to the other by the Chinese or French Offices, they will be provisionally transmitted and distributed subject to the conditions of ulterior arrangements between the two Administrations.

ARTICLE IX.—Responsibility and Liability.—1.—In case of the loss of a registered article of correspondence or of a closed mail, the Administration which has undertaken its transport and cannot account for its delivery or transmission to the other Administration will be held responsible for the lost registered article or the registered articles contained in the closed mail, within the limits of Article 8 of the "Convention Principale" of [Washington and of Article XXIII of the "Règlement d'Ordre et de Détail" thereto appended] *Rome and of Article XXV of the "Règlement d'Exécution" of that Convention.*

2.—The loss or spoliation of a parcel will give right to an indemnity, which may amount to the equivalent of the loss or damage suffered, but can in no case exceed 25 francs for non-insured parcels or 1,000 francs for insured parcels.

3.—The protection granted above to registered articles and parcels will not extend beyond the working limits of the postal services of the contracting Administrations, and will not cover losses or damages arising from cases of *force majeure* such as tempest, shipwreck, war, brigandage, etc.

ARTICLE X.—Notice of Changes in Organisation.—The Postal Administrations of China

and France will communicate to each other the changes which may take place in the organisations and arrivals and departures of their respective services for the transport of mails, whenever notice of such changes may prove useful to the two Administrations or to the Foreign Administrations that have recourse to their intermediation.

ARTICLE XI.—Extent of Present Arrangement.—The Postal Administration of China, though it has not yet subscribed to the treaties of the Universal Postal Union, hereby agrees to abide, as far as the present Arrangement is concerned, by the stipulations of the "Convention Principale" and of the ["Règlement d'Ordre et de Détail," concluded at Washington on the 15th June 1897] *"Règlement d'Exécution" signed at Rome on the 26th May 1906.*

The present Arrangement will thus form, with the documents of the Postal Union mentioned above, the whole of the dispositions to be, as far as possible, observed in the postal relations between the Chinese Post Offices and the French Post Offices.

ARTICLE XII.—Duration of Arrangement.—The present Arrangement will be gradually put in force as soon as possible, and will remain in force for an indeterminate period. The two Administrations may, however, at any time introduce in it any such modifications as they, on consultation, may find necessary, or bring the Arrangement to an end by giving notice six months in advance.

ADDENDUM.—A difference of opinion having arisen between the Postal Administrations of France and China regarding the intention and scope of the Arrangement come to between them and signed at Peking on the 3rd February 1900, it is understood that henceforward the Arrangement shall not apply to correspondence à découvert *originating in China and to be distributed by the Chinese Service. No change is made in the stipulations regarding closed mails.*

N.B.—The changes in the text of the Arrangement, as set forth above, from the wording between brackets [ ] to that in italics, as well as that of the Addendum, have been arranged between the French Minister and the Inspector General of Customs and Posts by an exchange of despatches, of which those from the French Minister are dated the 21st and the 30th January 1908 and that from the Inspector General the 28th January 1908.

France.

ARRANGEMENT REGULATING THE EXCHANGE OF POSTAL PARCELS BETWEEN THE ADMINISTRATION OF POSTS AND TELEGRAPHS OF FRANCE AND THE ADMINISTRATION OF CUSTOMS AND POSTS OF CHINA.

October 21st, 1904

(Translation)

The exchange of postal parcels between the Administration of Posts and Telegraphs of France and the Administration of Customs and Posts of China, provided for in Article VIII of the Postal Arrangement concluded on the 3rd February 1900 between the two above-mentioned Administrations, shall be regulated according to the conditions hereunder stated.

ARTICLE 1.—Weight of Parcels.—The maximum weight of a parcel, whether of declared value or not, shall not exceed 10 kilogrammes.

However, there shall be an exception made for parcels destined for Offices of the Administration of Customs and Posts of China that are not connected by railway or by steamer, in which case the limit shall be 3 kilogrammes; but this limit may, at any time hereafter, be raised by mutual agreement between the two Administrations.

ARTICLE 2.—Dimensions of Parcels.—The postal parcels to which this Convention is for the present to apply shall be those of which no dimension shall exceed one mètre and fifty centimètres, or the volume of which shall not exceed fifty-five cubic decimètres, except in the case of parcels up to three kilogrammes and also those from three to five kilogrammes, the volume of which shall not exceed twenty-five cubic decimètres, and their size sixty centimètres in any one direction.

However, parcels up to five kilogrammes, containing umbrellas, walking-sticks, charts, plans, and such-like articles, shall be accepted if they do not exceed one mètre long and twenty centimètres broad (or thick).

The limits of dimensions and of volume herein determined may be increased by mutual agreement.

ARTICLE 3.—Exchange of Parcels.—Unless otherwise agreed to by the two Administrations, the exchange of postal parcels shall take place through the intermediary of the French Offices established in China and the Chinese Offices established in the same localities as these French Offices.

ARTICLE 4.—Transmission of Parcels.—1°. The French Administration shall be the intermediary, by means of the services it may maintain, for the exchange of parcels between China on the one part and France, French colonies, and Foreign countries on the other.

2°. The Administration of Customs and Posts of China engages on its part to assure the transmission by its services of all parcels that shall be handed to it by the French Administration.

ARTICLE 5.—Tariffs and Postage.—Each Administration shall itself determine the taxes and duties to be collected on postal parcels forwarded by its own Offices.

The prepayment of postage on postal parcels shall be obligatory before departure. However, the fee for delivery shall be payable by the addressee.

Moreover, parcels destined for places in China not connected by railway or by steamer may be further charged for transmission beyond railway or steamer services, at the expense of the addressee, supplementary taxes the amount of which shall be determined by the Administration of Customs and Posts of China.

It is understood that the French Administration shall not tax parcels exchanged between its Offices in China at rates lower than those charged by the Chinese Administration of Posts.

ARTICLE 6.—Transit Charges.—1°. The Administration of Customs and Posts of China shall pay to the Administration of Posts and Telegraphs of France the following charges:—

For each parcel destined for continental France:

Up to 5 kilogrammes . . . . . Frs. 3.15

From 5 to 10 kilogrammes . . . . . „ 4.80

For each parcel destined for Algeria or for Corsica, the following additional charges:

Fr. 0.50 for parcels up to 5 kilogrammes.

Fr. 0.85 for parcels from 5 to 10 kilogrammes.

For parcels destined for French colonies and for Foreign countries, the charges indicated in Table A, drawn up by the Administration of French Posts in accordance with Article 1 of the "Règlement de détail et d'ordre," for the fulfilment of the International Convention of Washington.

2°. The Administration of Posts of France shall pay to the Administration of Customs and Posts of China for the transmission of each postal parcel handed to this Administration to be forwarded by its services the following charges:—

Up to 5 kilogrammes	of.25 for all maritime transit not exceeding 500 nautical miles, or for all territorial transit not exceeding 1,000 kilomètres. of.50 for all maritime transit of from 500 to 1,000 nautical miles, or for all territorial transit of from 1,000 to 2,000 kilomètres. 1f. for all maritime transit exceeding 1,000 nautical miles, or for all territorial transit exceeding 2,000 kilomètres.
From 5 to 10 kilogrammes.	of.40 for all maritime transit not exceeding 500 nautical miles, or for all territorial transit not exceeding 1,000 kilomètres. of.75 for all maritime transit of from 500 to 1,000 nautical miles, or for all territorial transit of from 1,000 to 2,000 kilomètres. 1f.50 for all maritime transit exceeding 1,000 nautical miles, or for all territorial transit exceeding 2,000 kilomètres.

ARTICLE 7.—Parcels of Declared Value.—Besides the transit charges, the Administration of origin shall pay, in respect of insurance fees on parcels of declared value, to the other Administration, and, if need be, to each Administration participating in the transmission when such Administration is under guarantee of responsibility, a proportional part of the determined insurance fee, viz.: for 300 francs or fraction of 300 francs, of.05 centimes for territorial transit, and of.10 centimes for maritime transit.

For parcels destined for Corsica and for Algeria, the share due to the French Administration shall be of.35 centimes per 300 francs.

ARTICLE 8.—Acknowledgment of Receipt.—The sender of a postal parcel may obtain an acknowledgment of receipt of his parcel by paying a fee that shall not exceed 25 centimes.

The same fee may be charged when, subsequent to posting, inquiries are made about a parcel, provided the special fee for an acknowledgment of receipt has not been paid already.

This charge shall accrue entirely to the Administration of origin.

ARTICLE 9.—Delivery and Customs formalities.—It shall be allowable for the country of destination to collect from the addressee a fee that shall not exceed of.25 centimes per parcel for delivery and Customs formalities.

ARTICLE 10.—Annulation of Customs Duties.—In the case of the re-transmission or of the return of a parcel to the Office of origin, the Customs duties that have been paid on the parcel in the country of first destination shall be annulled.

ARTICLE 11.—Responsibility.—1°. Except in cases of *force majeure*, if a postal parcel be lost, despoiled, or damaged, the sender or, in his default or by his request, the addressee shall be entitled to an indemnity corresponding to the actual amount of the loss, the spoliation, or the damage, unless this damage be caused by the fault or by the negligence of the sender, or be due to the nature of the parcel itself; but this indemnity shall not exceed 25 francs for ordinary parcels up to 5 kilogrammes, 40 francs for parcels from 5 to 10 kilogrammes, and the declared value for parcels of declared value.

Besides, the sender of a lost parcel shall be entitled to refund of the postage on the parcel and also to the postage expenses connected with making the inquiries when the cause of the claim is due to the fault of the Post Office. However, the insurance fee shall be retained by the Postal Administrations.

2°. The obligation to pay the indemnity shall be incumbent upon the Administration of the Office of origin; it shall then rest with this Administration to prefer a claim against the responsible Administration, that is to say, against the Administration upon whose territory or in whose service the loss, spoliation, or damage shall have taken place.

3°. Until proved to the contrary, the responsibility shall remain with the Administration which, having received the parcel without making any remark, can establish neither its delivery at its destination nor, as may happen, its regular transmission to the next Administration.

4°. The payment of the indemnity by the Office of origin shall be made as soon as possible, and not later than one year after the date of the claim. The responsible Office shall refund without delay to the Office of origin the amount of the indemnity paid by the latter.

The Office of origin shall be authorised to indemnify the sender on behalf of the intermediary Office or of the Office of destination which, having been regularly notified, shall have allowed one year to elapse without having settled the claim. Moreover, in the case of an Office whose responsibility shall be duly established which shall decline altogether to pay the indemnity, it shall undertake to pay, besides the indemnity, the accessory expenses resulting from undue delay in making the payment.

5°. It is understood that a claim shall be admitted only if made within one year from the date of posting the parcel; after this limit the claimant shall not be entitled to any indemnity.

6°. If the loss or damage happen during transmission between the Offices of exchange of the two Administrations, thus rendering it impossible to decide upon which of the two territories the act took place, the two Administrations concerned shall share the loss equally.

7°. The Administrations shall cease to be responsible for postal parcels delivery of which shall have been taken by the persons entitled to receive them.

ARTICLE 12.—Offices authorised to exchange Parcels.—The Postal Administrations of France and of China shall designate the Offices or the localities at which the exchange of postal parcels is to be allowed.

They shall supply each other with a list of the places open to this service.

ARTICLE 13.—Articles prohibited.—Parcels shall not contain any letter or note, either sealed or open, that might establish a correspondence between the sender and the addressee. Exception may be made only in the case of invoices, price lists, and other open documents that relate exclusively to the contents of the parcel.

The sender shall also be forbidden to enclose in a parcel any explosive or inflammable material and generally all articles the transmission of which presents any danger whatsoever, or the importation of which shall be contrary to the laws or to Customs regulations, or otherwise not authorised.

Parcels containing money, articles made of gold or of silver, and other precious articles, must have their value declared.

In case of infraction of these above rules, the parcel shall simply be returned to the place of origin.

The two Administrations shall communicate to each other a list of things and products forbidden importation into their territories.

ARTICLE 14.—Suspension of the Service.—In extraordinary circumstances of a nature to justify the measure, each Administration may temporarily suspend the parcel post service, either entirely or partially, on condition that immediate notice be given, if need be by telegraph, to the other Administration concerned.

ARTICLE 15.—FULFILMENT OF THE CONVENTION.—The Postal Administrations of France and of China shall settle all matters of detail and of disposition, in order to ensure the fulfilment of the present Convention.

They shall supply to each other a list of the countries with which they may respectively serve as intermediaries.

Especially shall the Postal Administration of France undertake to enter into negotiations with railway and navigation companies, in order to assure the complete fulfilment by these companies of all the clauses of the said Convention, and also to organise the service of exchange. The French Administration shall act for the companies as intermediary in all their relations with the Administration of Customs and Posts of China.

ARTICLE 16.—GENERAL PROVISION.—The internal legislation of each of the contracting countries, as well as the dispositions of the International Convention of Washington and of the "Règlement de détail" thereto annexed, shall remain applicable to all points not herein provided for or not contrary to the present Convention.

ARTICLE 17.—DURATION OF THE PRESENT CONVENTION.—The present Arrangement shall be put into operation from a day mutually to be agreed upon by both Administrations, and it shall remain in force for an indefinite period. However, the contracting parties reserve to themselves the right to make at any time such modifications therein as they may by mutual agreement judge necessary, or to terminate the Arrangement by giving at least six months notice in advance.

Great Britain (Hongkong).

ARRANGEMENT SETTING FORTH THE RELATIONS ESTABLISHED BETWEEN THE POSTAL ADMINISTRATION OF HONGKONG AND THE POSTAL ADMINISTRATION OF CHINA.

December 12th and 29th, 1904

ARTICLE I.—EXCHANGE OF MAILS.—1.—There shall be between the Postal Administration of Hongkong (which includes the British Postal Agencies operating in the Treaty-port Settlements of China) and the Postal Administration of China a regular exchange of postal articles of all kinds—ordinary, registered, international, or in transit, closed or *à découvert*—by any means of transport, ordinary or special, now established or hereafter to be established, which each Administration may have at its disposal.

2.—The exchange of mails between the two Administrations will take place through the British Postal Agencies in China and the Chinese Post Offices established in the same localities as these British Postal Agencies, or, where no British Postal Agency exists, between the British and Chinese Post Offices at Shanghai for mails to and from river and coast ports north of Shanghai, but, for mails to and from southern ports, direct between Hongkong and the Chinese Post Offices at these ports, which will be specially designated. Other Offices may, on agreement between the two Administrations, be designated for the exchange of mails wherever postal requirements may demand it.

ARTICLE II.—TRANSPORT OF MAILS.—1.—The Chinese Post Offices will accept from Hongkong and the British Postal Agencies in China mails, closed or *à découvert*, destined for Chinese or Foreign Post Offices established in or out of China, and will undertake to transmit them to destination by any means of transport at the disposal of the Chinese Administration.

2.—The Hongkong Post Office or the British Postal Agencies in China on its behalf will accept from the Chinese Post Offices mails, closed or *à découvert*, destined for Chinese or Foreign Post Offices established in or out of China, and will undertake to transmit them to destination by any means of transport at the disposal of the Hongkong Administration.

3.—Each Administration will support the cost of maintenance of the transport services, ordinary or special, which it may establish for the carriage of mails, but will be entitled to claim payment of the transit charges hereunder stipulated in Article V.

ARTICLE III.—REMITTING OF MAILS.—1.—The remitting of mails, closed or *à découvert*, from one Administration to the other will take place at the Offices or any other authorised places for exchange, and will be made from hand to hand between agents regularly appointed for this duty.

2.—The duplicate copy of the Way Bill, called *Part*, brought by the remitting agent and indicating the number of packages or bags remitted, will be at once signed by the receiving agent and handed back to him as acknowledgment of receipt. Inside each package or bag a *Feuille d'Avis* will be enclosed, containing the particulars called for in Article XX of the *Règlement* appended to the International Convention of Washington.

3.—From the moment this agent has taken delivery of the mails and issued an acknowledgment of receipt, without making any observation as to the number or condition of the packages or bags, the despatching Office will be discharged of further responsibility, which thereafter will lie with the receiving Office.

ARTICLE IV.—POSTAGE AND DELIVERY.—1.—Each Administration will use its own postage stamps to frank any mail matter, whatever its destination, originating in its own Offices, and will deliver to the addressees, free of additional charge in all the localities where it has a Post Office, any mail matter, whatever its origin, which arrives duly and sufficiently prepaid by means of postage stamps of the other Administration.

2.—Each Administration fixes its tariffs. It is understood that the Hongkong Administration will not apply to mail matter exchanged between its own Offices in China taxes lower than those adopted by the Chinese Administration. On the other hand, the Chinese Administration will comply, in respect of any mail matter it may exchange with the Union countries through the British Offices, with the stipulations of Article 5 of the Convention of Washington. The two Administrations will communicate to each other their tariffs.

N.B.—The Imperial Chinese Post Office undertakes the transmission and delivery, free of charge, to any place in China where one of its establishments is or may hereafter be established, of all letters of Foreign provenance handed over to it *à découvert* by the Hongkong Post Office or its Agencies, if fully prepaid at Union rates, or, if originated in Hongkong, at a specified tariff. But a domestic rate will be charged on other articles of mail matter—newspapers, books, parcels, etc.—if addressed to inland places not accessible by railway or steamer, to be collected from the addressee before delivery.

3.—Mail matter destined for places inland where no Post Office, Chinese or British, is yet opened will be sent to destination through private agencies at the risk and expense of the addressee.

4.—Should it happen that, on Chinese territory and in the same town, both a Chinese and a British Postal Agency exist, each Office will undertake the delivery of any mail matter arriving to its address. But the Hongkong Administration may, by payment of an adequate tax, avail itself of the services of the Chinese Offices to ensure the distribution of mail matter received at the British Postal Agencies.

ARTICLE V.—Transit Charges.—1.—Closed mails and correspondence *à découvert* despatched on account of Chinese or Hongkong Post Offices by means of the transport services of one or the other of the contracting Administrations will be submitted, to the benefit of the Administration whose services carry these mails, to the following transit charges:—

(*a.*) Within the Chinese Empire and along the littoral of China, Foreign bordering countries included, when the distance does not exceed 1,500 nautical miles, and when both the Chinese and the Foreign ports are united by the same line of steamers:
1°. For territorial transit by rail, and also for maritime transit not exceeding 300 nautical miles, 2 francs per kilogramme of letters or postcards, and 25 centimes per kilogramme of other articles;
2°. For territorial transit by courier, and also for maritime transit exceeding 300 nautical miles, 5 francs per kilogramme of letters and postcards, and 50 centimes per kilogramme of other articles.

(*b.*) Outside of the Chinese Empire, for any transport of mails other than the categories provided for in the preceding paragraph, (*a.*):
1°. For territorial or maritime transit, the amounts, per kilogramme of letters or other articles, fixed by Article 4 of the "Convention Principale" of Washington, calculated, according to distances and the countries traversed, in the Table E published by the contracting Administrations;
2°. As to correspondence franked by means of Chinese postage stamps destined for the United Kingdom and its Colonies, Possessions, and Agencies, or for Foreign countries, whether despatched closed or *à découvert*, in transit through Hongkong and/or the British Postal Agencies, they will be forwarded to their respective destinations in the same manner and liable to the same transit charges as the correspondence remitted to the Hongkong Administration by the other Administrations of the Postal Union. The transit charges will be guaranteed by the Hongkong Administration and periodically refunded by the Chinese Administration.

2.—It is understood—

1°. That any territorial transit by rail is free of charge if the Administration concerned is already entitled to claim, on the mail matter thus conveyed by rail, refund for maritime transit;
2°. That any transit on the Yangtze-kiang is considered as maritime transit;
3°. That mail matter originating from Foreign countries, remitted *à découvert* at the place of landing by Hongkong or the British Postal Agencies to a Chinese Office or *vice versâ*, to be transmitted to inland places, will be exempted from transit charges;
4°. That the reductions or exemptions stipulated in Article 4 of the Convention of Washington will also apply to the present Arrangement.

3.—Charges for transport of mails by means of services or ships independent of the Hongkong or Chinese Administrations will be settled under the terms agreed between the interested parties.

ARTICLE VI.—Men-of-War Mails.—The closed mails handed in to the Chinese Offices by a British Postal Agency for transmission to the commander of a man-of-war of whatever nationality, or by the commander of a man-of-war of whatever nationality for transmission to Hongkong or British Postal Agency, will be subjected, in account with the Hongkong Administration, to the transit charges enumerated in the preceding Article.

ARTICLE VII.—Transit Statistics.—The balancing of the transit charges account will necessitate an annual settlement between the two Administrations, to be calculated on the basis of statistics taken annually under the rules laid down in the Conventions of the Postal Union in force at the time. These statistics will be taken each year during the first 28 days of the months of May and November alternately.

ARTICLE VIII.—Parcel Post.—1.—The exchange of parcels, as also the exchange of money orders, letters with declared value of contents, etc., will be made the subject of special arrangements as soon as the principal Arrangement is put in force.

ARTICLE IX.—Responsibility and Liability.—1.—In case of the loss of a registered article of correspondence or of a closed mail, the Administration which has undertaken its transport and cannot account for its delivery or transmission to the other Administration will be held responsible for the lost registered article or the registered articles contained in the closed mail, within the limits of Article 8 of the "Convention Principale" of Washington and of Article XXIII of the "Règlement d'Ordre et de Détail" thereto appended.

2.—The loss or spoliation of a parcel will give right to an indemnity, which may amount to the equivalent of the loss or damage suffered, but can in no case exceed 25 francs for non-insured parcels or 1,000 francs for insured parcels.

3.—The protection granted above to registered articles and parcels will not extend beyond the working limits of the postal services of the contracting Administrations, and will not cover losses or damages arising from cases of *force majeure*, such as tempest, shipwreck, war, brigandage, etc.

ARTICLE X.—Notice of Changes in Organisation.—The Postal Administrations of China and Hongkong will communicate to each other the changes which may take place in the organisation and arrivals and departures of their respective services for the transport of mails, whenever notice of such changes may prove useful to the two Administrations or to the Foreign Administrations that have recourse to their intermediation.

ARTICLE XI.—Extent of Present Arrangement.—The Postal Administration of China, though it has not yet subscribed to the Treaties of the Universal Postal Union, hereby agrees to abide, as far as the present Arrangement is concerned, by the stipulations of the "Convention Principale" and of the "Règlement d'Ordre et de Détail," concluded at Washington on the 15th June 1897.

The present Arrangement will thus form, with the documents of the Postal Union mentioned above, the whole of the dispositions to be, as far as possible, observed in the postal relations between the Chinese Post Offices and Hongkong and the British Postal Agencies in China.

ARTICLE XII.—Duration of Arrangement.—The present Arrangement will be gradually put in force as soon as possible, and will remain in force for an indeterminate period. The two Administrations may, however, at any time introduce in it any such modifications as they, on consultation, may find necessary, or bring the Arrangement to an end by giving notice six months in advance.

Germany.

ARRANGEMENT SETTING FORTH THE RELATIONS ESTABLISHED BETWEEN THE IMPERIAL POSTAL ADMINISTRATION OF GERMANY AND THE IMPERIAL POSTAL ADMINISTRATION OF CHINA.*

October 25th and November 3rd, 1905

ARTICLE I.—EXCHANGE OF MAILS.—1.—There shall be between the Imperial Postal Administration of Germany and the Imperial Postal Administration of China a regular exchange of postal articles of all kinds—ordinary, registered, international, and in transit, closed or *à découvert*—by any means of transport, ordinary or special, now established or hereafter to be established, which each Administration may have at its disposal.

2.—The exchange of mails between the two Administrations will take place through the German Post Offices established in the Treaty ports and the Chinese Post Offices established in the same ports.

The following are to be recognised as Offices of exchange by the Chinese Administration: the German Office in the Legation quarter at Peking, under the same conditions as the other Foreign Offices therein opened; the German Office at Chinan; and, temporarily, according to the special understanding on that point, the German Office at Weihsien,—both situated outside the international trade mart limits; and, on the other hand, by the German Administration: the Chinese Office at Tsingtau, with the understanding that that Office will, for the transport of its mails, avail of the Shantung Railway without the intermediary of the German Office.

ARTICLE II.—TRANSPORT OF MAILS.—1.—The Chinese Post Offices will accept from the German Post Offices mails, closed or *à découvert*, destined for Chinese, German, or Foreign Post Offices established in or out of China, and will undertake to transmit them to destination by the (most rapid) means of transport at the disposal of the Chinese Administration (for its own sendings).

2.—The German Post Offices will accept from the Chinese Post Offices mails, closed or *à découvert*, destined for Chinese, German, or Foreign Post Offices established in or out of China, and will undertake to transmit them to destination by the (most rapid) means of transport at the disposal of the German Administration (for its own sendings).

3.—The German Office at Tsingtau will hand, *à découvert*, to the Chinese Office the articles of correspondence for the localities of the interior other than Weihsien and Chinan, and, inversely, the Chinese Office will hand to the German Office the articles of correspondence from these localities destined for Tsingtau.

4.—Each Administration will support the cost of maintenance of the transport services, ordinary or special, which it may establish for the carriage of mails, but will be entitled to claim payment of the transit charges hereunder stipulated in Article V.

ARTICLE III.—REMITTING OF MAILS.—1.—The remitting of mails, closed or *à découvert*, from

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* See § 4 of the Sino-Japanese Agreement of March 26th, 1917, in regard to Postal and Telegraphic Operations at the Leased Territory of Kiaochow Bay and along the Kiao-Tsi Railway (No. 1917/5, *post.*)

In *B & F. State Papers*, vol. 99, p. 954, are printed the following communications interchanged between the Inspector-General of Customs and the German Minister at Peking in regard to this Arrangement:—

The Inspector-General of Customs and Posts to His Excellency the German Minister.

PEKING, *November 4, 1905.*

"Sir,

"I have the honour to acknowledge your letter notifying to me your approval of the Postal Agreement concluded between our respective Administrations on the 25th October, 1905, and I join your Excellency in the hope that this new instrument will yield mutual advantages to Germany and China.

"Your Excellency calls attention to three particular points, namely:—

"1.—It is understood that the suppression of the German Post Offices in the interior of Shantung will take place after the conclusion of the present Agreement, with the exception of the Offices of Exchange designated in paragraph 2 of Article I, the Office of Kaomi not being withdrawn till after the military evacuation of that place;

"2.—Your Excellency's Government would be pleased to receive from the Chinese Administration the assurance that German-speaking employés will be, as far as possible, used in the postal establishments situated in the sphere of German interests in Shantung; and

"3.—Your Excellency will recommend to your Government to exercise influence on the Shantung Railway Administration to bring it to grant to the Chinese Post Office equitable conditions, proportionate to those usual on other railway lines in China, for the concession of the right to use this Administration's lines for the transport of its despatches under the supervision of its own agents independently of the German Postal Service.

"In acknowledging your Excellency's remarks on these three points I place willingly on record my agreement with them; it may be well to add, however, that German-speaking employés can only be used if procurable, and that the matters referred to under paragraphs 1 and 3 are questions which formed, from the first, an essential part of the negotiations now concluded.

"I shall be glad if the question mentioned in the last paragraph of your Excellency's letter can be speedily settled; it will be in the interest of the public and a simple measure of reciprocity if, as desired by China, the Chinese Post Office at Tsingtau is allowed to land and ship direct from or to its own steamers the mails passing through that port.

"I have, etc.,

"ROBERT HART."

His Excellency the German Minister to the Inspector-General of Customs and Posts.

PEKING, *November 22, 1905.*

"Sir,

"With reference to my letter dated November 3rd, 1905, I have the honour to hand to your Excellency herewith one copy of the Postal Agreement concluded between our respective Administrations and which was signed in duplicate by the German Postmaster in Shanghai on November 3rd.

"The suppression of the German Post Offices in Tschingchoufu, Tschoutsun, and Kiaochow will take place on the 31st of December, 1905.

"I have, etc.,

"A. V. MUMM."

one Administration to the other will take place at the (corresponding) Offices (of exchange) or any other authorised places for exchange (fixed on by mutual consent), and will be made from hand to hand between agents regularly appointed for this duty.

2.—The duplicate copy of the Way Bill, called *Part*, brought by the remitting agent and indicating the number of packages or bags remitted, will be at once signed by the receiving agent and handed back to him as acknowledgment of receipt. Inside each package or bag a *Feuille d'Avis* will be enclosed, containing the particulars called for in Article XX of the *Règlement* appended to the International Convention of Washington.

3.—From the moment this agent has taken delivery of the mails and issued an acknowledgment of receipt without making any observation as to the number or condition of the packages or bags, the despatching Office will be discharged of further responsibility, which thereafter will lie with the receiving Office (till proved to the contrary).

ARTICLE IV.—Postage and Delivery.—1.—Each Administration will use its own postage stamps to frank any mail matter, whatever its destination, originating in its own Offices, and will deliver to the addressees free of additional charge in all the localities where it has a Post Office any mail matter, whatever its origin, which arrives duly and sufficiently prepaid by means of postage stamps of the other Administration (or recognised in the countries of origin).

2.—Each Administration fixes its own tariffs. It is understood that the German Administration will not apply to mail matter exchanged between its own Offices in China taxes lower than those adopted by the Chinese Administration. On the other hand, the Chinese Administration will comply, in respect of any mail matter it may exchange with the Union countries through the German Offices, with the stipulations of Article 5 of the Convention of Washington. The two Administrations will communicate to each other their tariffs.

N.B.—Chinese Post Offices steam served by railways or steamers will transmit and deliver without charge the international articles of correspondence duly stamped at Union rates handed to them *à découvert* by the German bureaux, as also those originating at, or destined for, Tsingtau, stamped at the rate ruling between the German bureaux in China; but, letters and postcards excepted, these articles will be liable, in the Chinese bureaux non-steam served, to the domestic charge laid down in the Chinese tariff.

3.—Mail matter destined for places inland where no Post Office, Chinese or German, is yet opened will be sent to destination through private agencies at the risk and expense of the addressees.

4.—Should it happen that, on Chinese territory and in the same town, both a Chinese and German Post Office exist, each Office will undertake the delivery of any mail matter arriving to its address. But the German Post Offices may continue, by payment of an adequate tax, to avail themselves of the services of the Chinese Offices to ensure the distribution of their mail matter.

ARTICLE V.—Transit Charges.—1.—Closed mails and correspondence *à découvert* despatched on account of Chinese or German Post Offices by means of the transport services of one or the other of the contracting Administrations will be submitted, to the benefit of the Administration whose services carry these mails, to the following transit charges:—

(*a.*) Within the Chinese Empire and along the littoral of China, Foreign bordering countries included,* when the distance does not exceed 1,500 nautical miles, and when both the Chinese and the Foreign ports are united by the same line of steamers:

1°. For territorial transit by rail, and also for maritime transit not exceeding 300 nautical miles, 2 francs per kilogramme of letters or postcards, and 25 centimes per kilogramme of other articles;

2°. For territorial transit by courier, and also for maritime transit exceeding 300 nautical miles, 5 francs per kilogramme of letters and postcards, and 50 centimes per kilogramme of other articles.

(*b.*) Outside of the Chinese Empire,† for any transport of mails other than the categories provided for in the preceding paragraph, (*a.*):

1°. For territorial or maritime transit, the amounts, per kilogramme of letters or other articles, fixed by Article 4 of the "Convention Principale" of Washington, calculated, according to distances and the countries traversed, in the Table E published by the contracting Administrations (or the lists approved of by these Administrations stating the weights and categories of articles transmitted).

2°. As to correspondence franked by means of Chinese postage stamps, destined for the German Empire and dependencies thereof or for Foreign countries, whether despatched closed or *à découvert*, in transit through the German Post Offices, they will be forwarded to their respective destinations in the same manner and liable to the same transit charges as the correspondence remitted to the German Offices by the other Administrations of the Postal Union. The transit charges will be guaranteed by the German Administration and periodically refunded by the Chinese Administration.

2.—It is understood:—

1°. That any territorial transit by rail is free of charge if the Administration concerned is already entitled to claim, on the mail matter thus conveyed by rail, refund for maritime transit;

2°. That any transit on the Yangtze-kiang is considered as maritime transit;

3°. That mail matter originating from Foreign countries remitted *à découvert* at the place of landing by a German Office to a Chinese Office, or *vice versâ*, to be transmitted to inland places, will be exempted from transit charges;

4°. That the reductions or exemptions stipulated in Article 4 of the Convention of Washington will also apply to the present Arrangement.

3.—Charges for transport of mails by means of services or ships independent of the German or Chinese Administrations will be settled under the terms agreed between the interested parties.

ARTICLE VI.—Men-of-War Mails.—The closed mails handed in to the Chinese Offices by a German bureau for transmission to the commander of a man-of-war of whatever nationality, or by the commander of a man-of-war of whatever nationality for transmission to a German bureau, will be subjected, in account with the German bureau, sender or receiver, to the transit charges enumerated in the preceding Article.

ARTICLE VII.—Transit Statistics.—The balancing of the transit charges account will necessitate an annual settlement between the two Administrations, to be calculated on the basis of statistics taken annually under the rules laid down in the Convention of the Postal Union in force at the

* Articles of correspondence of all categories, domestic or international.

† Articles of correspondence destined for Union countries.

time. These statistics will be taken each year during the first 28 days of the months of May and November alternately.

ARTICLE VIII.—Parcel Post.—1.—The exchange of parcels, as also the exchange of money orders, letters with declared value of contents, etc., will be made the subject of special arrangements as soon as the principal Arrangement is put in force.

2.—Meanwhile, in order to offer immediate facilities for the exchange of parcels, the Chinese Administration is willing:—

(*a.*) To transmit and distribute, on condition that the addressee will pay the domestic tariff, the parcels—ordinary, insured, or taxed with trade charges—emanating from Union countries handed in by a German Office:

(*b.*) To transmit to German Offices, after payment of the domestic tariff by the sender, the parcels—ordinary, insured, or taxed with trade charges—destined for Union countries which may be handed in by the public.

3.—As to domestic parcels emanating from or destined for Tsingtau, and also the parcels transmitted in closed bags from one Office to the other by the Chinese or German Offices, they will be provisionally transmitted and distributed subject to the conditions of ulterior arrangements between the two Administrations.

ARTICLE IX.—Responsibility and Liability.—1.—In case of the loss of a registered article of correspondence or of a closed mail, the Administration which has undertaken its transport and cannot account for its delivery or transmission to the other Administration will be held responsible for the lost registered article or the registered articles contained in the closed mail, within the limits of Article 8 of the "Convention Principale" of Washington and of Article XXIII of the "Règlement d'Ordre et de Détail" thereto appended.

2.—The loss or spoliation of a parcel will give right to an indemnity, which may amount to the equivalent of the loss or damage suffered, but can in no case exceed 25 francs for non-insured parcels or 1,000 francs for insured parcels.

3.—The protection granted above to registered articles and parcels will not extend beyond the working limits of the postal services of the contracting Administrations, and will not cover losses of damages arising from cases of *force majeure*, such as tempest, shipwreck, war, brigandage, etc.

ARTICLE X.—Notice of Changes in Organisation.—The Postal Administrations of China and Germany will communicate to each other the changes which may take place in the organisation and arrivals and departures of their respective services for the transport of mails, whenever notice of such changes may prove useful to the two Administrations or to the Foreign Administrations that have recourse to their intermediation.

ARTICLE XI.—Extent of Present Arrangement.—The Postal Administration of China, though it has not yet subscribed to the Treaties of the Universal Postal Union, hereby agrees to abide, as far as the present Arrangement is concerned, by the stipulations of the "Convention Principale" and of the "Règlement d'Ordre et de Détail," concluded at Washington on the 15th June 1897.

The present Arrangement will thus form with the documents of the Postal Union mentioned above, the whole of the dispositions to be, as far as possible, observed in the postal relations between the Chinese Post Offices and the German Post Offices.

ARTICLE XII.—Duration of Arrangement.—The present Arrangement will be gradually put in force as soon as possible, and will remain in force for an indeterminate period. The two Administrations may, however, at any time introduce in it any such modifications as they, on consultation, may find necessary, or bring the Arrangement to an end by giving notice at least six months in advance.

Great Britain (Natal).

POSTAL ARRANGEMENT BETWEEN CHINA AND NATAL.

October 28th and December 27th, 1905

In order to establish an exchange of correspondence between China and the British Colonies in South Africa, the undersigned, duly authorised for that purpose, have agreed upon the following Articles:—

Article I.—There shall be a regular exchange of correspondence of all kinds between the Postal Administration of China and the Postal Administration of Natal—*viâ* Durban or other designated place or places in Natal for correspondence from China, and *viâ* any Chinese Treaty port for correspondence from Natal.

Article II.—Each Administration shall be entitled to send through the intermediate agency of the other either closed mails or correspondence *à découvert* to any other country with which the latter Administration has postal relations. The charges payable by the despatching Administration in respect of such transit correspondence shall be at the rates prescribed by the Universal Postal Union Convention and settled yearly on the basis of statistics taken as may be agreed upon hereafter.

Article III.—Each Administration shall use its own postage stamps and maintain Union rates for all articles of correspondence exchanged between them; full prepayment at these rates shall entitle the articles to be delivered free of all charges irrespective of their destination, except that, in China, correspondence addressed to places beyond Chinese Post Office lines shall be forwarded to destination through private agencies at the risk and expense of the addressees, and that heavy mail articles, viz., newspapers, printed matter, and commercial samples, addressed to places not accessible by railway or steamer, shall be liable on delivery to an additional rate fixed by tariff and calculated to cover courier expenses.

Article IV.—The stipulations of the Union Conventions and Arrangements concluded at Washington shall be applicable as regards every postal relation between China and Natal not provided for by the Articles above mentioned.

Article V.—This Arrangement may end on giving six months notice in advance.

Russia.

AGREEMENT CONCERNING THE POSTAL RELATIONS BETWEEN RUSSIA AND CHINA.*

February 6/19th, 1909

ARTICLE I.—EXCHANGE OF MAILS.—1.—There shall be established between the Postal Administrations of Russia and China a regular exchange of mail matter, including both ordinary and registered letters (letters, postcards, printed matter, commercial papers, and samples), whether sent direct in closed mails or *à découvert*. This exchange shall take place by any means of transport, ordinary or special, now established or hereafter to be established, which each Administration may have at its disposal.

2.—The exchange of mails between the two Administrations will take place between their respective Post Offices in the conventional towns of China and Manchuria open to foreign trade, to wit: Peking (Legation Quarter), Tientsin, Chefoo, Hankow, Shanghai, Harbin, Chanchunfu (Kuanch'êngtsze), Manchuli, and Pogranitschnaia, on condition, however, that Chinese Post Offices in Manchuria will make use of the Chinese Eastern Railway for the transport of their courier mails without the intermediary of the Russian Offices and on the basis fixed by a Special Agreement which shall be concluded with this object (in respect of the transport of courier mails not liable to transit charges) between the Chinese Postal Administration and the afore-mentioned Railway Company through the good offices of the Head Office of the Russian Posts.

ARTICLE II.—TRANSPORT OF MAILS.—1.—The Chinese Post Offices will accept from the Russian Post Offices mails destined for Chinese or Russian Post Offices or for foreign Post Offices established in China, and will forward the said mails to their destination by the most rapid means of transport at the disposal of the Chinese Administration.

The Chinese Administration will likewise accept, either to transport or remit, without extra postage, to all parts of China where are now established or shall hereafter be opened Offices or Agencies controlled by its Administration, mails originating in foreign countries which shall be handed over to it *à découvert* by the Russian Post Office, provided that these mails are fully franked, in conformity with the international tariff, whether in Russian stamps, in case they have been posted in Russian Offices, or in the stamps of the country of origin, should they originate in a third country. As regards mails destined for the interior of China, where as yet the Chinese Post Office is not in operation, they will be subject to an additional charge to be levied from the addressee as special transport fee.

In addition, and except in the case of ordinary letters and postcards, a special inland fee will be charged for heavy and cumbersome mail matter, such as newspapers, books, etc., destined for inland places not accessible by railway or steamer.

2.—The Russian Post Offices will accept from Chinese Post Offices mails destined for Russian, Chinese, or foreign Post Offices established in or out of China and will transmit them to destination by the most rapid means of transport at the disposal of the Russian Post Office.

The aforesaid Office will, moreover, accept, both to transport and remit, without extra franking, mails destined for countries other than China which shall be handed over to it by the Chinese Office *à découvert*, if these mails are completely franked by means of Chinese stamps, in conformity with the international tariff.

3.—Mails from Russian Post Offices destined for transportation by steamers belonging to the Chinese Postal Service or railways under the control of the Chinese Government must be transmitted through the intermediary of the Chinese Offices of exchange; mails from Chinese Post Offices destined for transportation by steamers in the Russian Postal Service or by railways under the control of the Russian Government must be transmitted through the intermediary of the Russian Offices of exchange (with the exception specified in Article I, paragraph 2, regarding Chinese courier mails transported free of charge).

The method of transport for mails will be settled by mutual agreement between the Russian and Chinese Post Offices in such a way as to obviate any delay in the transport of the mails.

ARTICLE III.—TRANSIT CHARGES.—1.—Mails in transit forwarded by means of the services of one or the other of the contracting Administrations will be submitted, to the benefit of the Administration whose services carry these mails, to the following transit charges:—

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* French text printed in *Soglashenia*, p. 65, where it is accompanied by exchange of notes of which the purport is indicated by the following translation of the note addressed by the Russian Minister at Peking to the Inspector General of Imperial Posts of China, under date of February 4/17, 1909:

"I have the honor to acknowledge the receipt of the note that your Excellency was so good as to address to me under date of February 17, on the subject of the three points examined separately from the postal arrangement between our two respective administrations, and upon which we have come to an agreement, to wit:

"1st.—For the purpose of avoiding all discussion in future as to the payment of postage upon mail originating from the treaty towns of Manchuria or other provinces, it is agreed that in principle such mail should be post-paid with Chinese stamps, and that those post-paid with Russian or foreign stamps, which in the course of transmission should happen to fall under the Chinese system, are to be considered as taxable.

"2nd.—As regards the objection made by the Russian administration to the presence of a Chinese letter box in the reserved compartments of the trains of the Chinese Eastern Company, the Chinese administration expresses a desire to have this objection withdrawn; the use of a box in those compartments can merely prevent the public from mistakenly placing letters post-marked with the stamps of one administration, in the box of the other administration, which renders such letters liable to be taxed. While awaiting the decision of Petersburg on this point, the Chinese administration proposes, during stops of the trains, to place a loose post box on the platform of the car for the convenience of the public.

"3rd.—In accordance with the note attached to Article 4 of the agreement with the Chinese Eastern Railway Company, the Chinese posts and the company are at liberty to come to a separate agreement to fix the price of transportation of books, printed matter, newspapers, etc., of the Chinese posts.

"In reply, I hasten to confirm to you officially, herewith, our agreement upon these several points.

"Accept, etc."

See also the Arrangement with the Chinese Eastern Railway Company for the transportation of mails of the Chinese imperial posts, February 6/19, 1909 (No. 1909/2, *post*).

(*a.*) Within the Chinese Empire and along the littoral of China bordering on foreign countries, if the distance does not exceed 1,500 nautical miles and when both the Chinese and the foreign ports are united by the same line of steamers·

1°. For land transport by rail, and also for sea transport not exceeding 300 nautical miles, 1 franc 50 centimes per kilogramme of letters and postcards, and 20 centimes per kilogramme of other articles.

2°. For land transport by courier, and also for sea transport exceeding 300 nautical miles, 4 francs per kilogramme of letters and postcards and 50 centimes per kilogramme of other articles.

(*b.*) Outside of the Chinese Empire, for any transport of mails other than the categories provided for in the preceding paragraph, (*a.*):

1°. For land or sea transport, within the limits of the Postal Union, the transit charges per kilogramme of letters, postcards, and other articles shall be reckoned in conformity with Article 4 of the "Convention Principale" of Rome.

2°. Correspondence franked by means of Chinese stamps and destined for Russia and Russian possessions or for foreign countries, in transit through the Russian Office, will be forwarded to their respective destinations in the same manner and liable to the same transit charges as the correspondence remitted to the Russian Office by the other Administrations of the Postal Union (including the transport charges due to the Chinese Eastern Railway). These transit charges will be guaranteed by the Russian Administration and periodically refunded by the Chinese Administration.

2.—Charges for transport of mails by means of services or steamers independent of the Russian or Chinese Administrations will be settled by agreement between the interested countries.

ARTICLE IV.—Transit Statistics.—The balancing of the transit charges in connexion with the categories of correspondence specified above in Article III, paragraph 1, will be calculated on the basis of statistics taken under the rules laid down in the "Règlement d'Exécution" of the "Convention Principale" of Rome. The regulations laid down in Article VI of the final Protocol of the above-named Convention will be applied to the aforesaid balances and statistics.

ARTICLE V.—Notice of Changes in Organisation.—The Postal Administrations of Russia and China will communicate to each other the changes which may take place in the organisation of their postal service and in the arrivals and departures of mails, whenever notice of such changes may prove useful to the two Administrations or to the foreign Administrations that have recourse to their intermediation.

ARTICLE VI.—Extent of the present Agreement.—In all matters not provided for in the present Agreement, the contracting Postal Administrations agree to abide by the stipulations of the "Convention Principale" and of the "Règlement" belonging thereto signed at Rome on the 26th day of May 1906.

It is thus understood that the present Agreement, as also the treaties of the Union referred to above, shall be binding as a regulation, and that the two Administrations shall be bound in any particular case to conform thereto in their postal relations.

ARTICLE VII.—Duration of Agreement.—The present Agreement will come into force on the day of its signature. It will remain in force for an indeterminate period. The two Administrations will, however, have the right to introduce into it such modifications as by mutual agreement they may find necessary, or to bring the Agreement to an end by giving each other notice six months in advance.

Japan.

AGREEMENT SETTING FORTH THE RELATIONS ESTABLISHED BETWEEN THE IMPERIAL POSTAL ADMINISTRATION OF JAPAN AND THE IMPERIAL POSTAL ADMINISTRATION OF CHINA.

February 9th, 1910

ARTICLE I.—Exchange of Mails.—1.—There shall be between the Imperial Administration of Japan and the Imperial Administration of China a regular exchange of postal articles of all kinds—ordinary, registered, international, and in transit, closed or *à découvert*—by means of any transport, ordinary or special, now established or hereafter to be established, which each Administration may have at its disposal.

2.—The exchange of mails between the two Administrations will take place through the Japanese Post Offices established in the treaty ports and the Chinese Post Offices established in the same ports. The following are also recognised by the Chinese Administration as Offices of exchange: the Japanese Post Office in the Legation Quarter at Peking, under the same conditions as other foreign Post Offices therein opened; the Japanese Postal Agency at Tangku, for the exchange of steamer mails; and the Japanese Post Offices opened in Tatungkow, Antung, Newchwang, Liaoyang, Moukden, Tiehling, and Changchun.

3.—The remitting of mails, closed or *à découvert*, from one administration to the other will take place at the (corresponding) Offices (of exchange) or any other authorised places for exchange (fixed on by mutual consent), and will be made from hand to hand between agents regularly appointed for this duty.

ARTICLE II.—Closed Mails by Rail.—1.—Closed mails sent from or through Chinese Post Offices and destined for Chinese, Japanese, or foreign Post Offices established in or out of China, to be conveyed by means of Japanese railways in China, shall be consigned to or received from the said railways through the intermediary of the Japanese Post Offices at those places of exchange where Japanese Post Offices exist.

2.—Closed mails sent from or through Japanese Post Offices and destined for Japanese, Chinese, or foreign Post Offices established in or out of China, to be conveyed by means of Chinese railways in China, shall be consigned to or received from the said railways through the intermediary of the Chinese Post Offices at places of exchange.

3.—At those places where there are no Offices of exchange the mails above cited will be handed direct to or from the responsible officers on the trains, under local arrangements to be made by the officials of the two contracting Postal Administrations.

ARTICLE III.—Closed Mails by Steamers.—1.—Closed mails sent from or through Chinese Post Offices and destined for Chinese, Japanese, or foreign Post Offices established in or out of China, to be conveyed by means of steamers subsidised by the Imperial Japanese Government or generally those steamers in the mail service of the Empire of Japan, shall be embarked on or received from the said steamers through the intermediary of the Japanese Post Offices at the places of exchange or direct to the responsible officers on board at places where no Japanese Office of exchange exists.

2.—Closed mails sent from or through Japanese Post Offices and destined for Japanese, Chinese, or foreign Post Offices established in or out of China, to be conveyed by means of steamers in the mail service of China, shall be embarked on or received from the said steamers through the intermediary of the Chinese Post Offices at the places of exchange.

ARTICLE IV.—Remuneration for Steamers.—1.—In the case of those Japanese steamers which load Chinese mails to or from non-opened ports, they shall enjoy the same privileges, facilities, and immunities as other flag steamers rendering similar services. The Chinese mails they carry shall not be liable to transit charges.

2.—While Chinese mails loaded on board Japanese steamers for conveyance between open ports shall be liable to transit charges payable to the Japanese Administration, such steamers shall not be entitled to claim for the conveyance in question the same privileges, facilities, and immunities as are specially granted to other flag steamers for similar services rendered without debiting the Chinese Administration with transit charges.

ARTICLE V.—Tariffs.—Each Administration fixes its own tariffs.

It is understood that for mail matter exchanged between its own Offices in China the Imperial Japanese Administration will not apply a tariff of postage lower than that adopted by the Imperial Chinese Administration.

The two Administrations will communicate to each other their tariffs.

ARTICLE VI.—Postage Stamps.—Each Administration will use its own postage stamps to frank its own mail matter.

It is understood, however, that mail matter originating in the localities mentioned in Article I, § 2, but destined for Chinese inland places, shall be franked in Chinese stamps at Chinese domestic rate; otherwise, it shall be liable to be taxed by the Chinese Administration as unpaid correspondence.

ARTICLE VII.—Correspondence *à découvert*.—1.—The Imperial Chinese Post Office undertakes, free of charge, the transmission to, and the delivery at, all places in China steam served by railways or steamers where one of its establishments is or may hereafter be established of all correspondence for China posted in Japan, Korea, or the Leased Territory of Kwantung and prepaid in Japanese postage stamps at the domestic rates of Japan, as well as of all correspondence for China posted in any country of the Postal Union and prepaid in postage stamps of the country of origin at the Union rates, if the above correspondence be handed over to the said Post Office *à découvert* by the Imperial Japanese Post Office in China; but these articles, letters and postcards excepted, if addressed to non-steam-served places, will be liable to the domestic charge laid down in the Chinese tariff. Further, any correspondence above mentioned, if addressed to inland places where the Chinese Post Office does not yet function, will be forwarded to destination by the *min-chü* at the risk and cost of the addressee.

2.—The Imperial Japanese Post Office in China undertakes, free of charge, the transmission to, and the delivery at, destination of all correspondence for Japan, Korea, and the Leased Territory of Kwantung posted in China and prepaid in Chinese postage stamps at the rates adopted by the Japanese Post Offices in China for correspondence to those places, and, subject to transit charges, the transmission of all correspondence for countries of the Postal Union posted in China and prepaid in Chinese stamps at the rates stipulated in Article 5 of the Universal Postal Convention.

ARTICLE VIII.—Taxed Correspondence.—The correspondence mentioned in the preceding Article VII, whether unpaid or insufficiently prepaid, shall be dealt with in accordance with the stipulations provided for in the said Article. It is provided that on all unpaid or insufficiently prepaid correspondence addressed for delivery in China or in Japan, Korea, or the Leased Territory of Kwantung, either Administration shall collect from the addressee a charge equal to double the amount of the deficiency according to the tariff of the country of origin.

ARTICLE IX.—Newspapers, etc., with Special Marks.—Newspapers and periodical publications bearing the special mark "under contract," originally posted in Japan, Korea, or the Leased Territory of Kwantung for delivery in their interior and handed over to the Chinese Post Office as redirected articles, shall be sent to destination subject to the stipulations under Article VII of this Agreement.

ARTICLE X.—Postage and Weights.—As regards correspondence posted in China and addressed for delivery in Japan, Korea, or the Leased Territory of Kwantung, the Postal Administration of China shall not adopt rates of postage lower than those which are chargeable in the Japanese Post Office in China, nor the maximum limits of weight and dimensions exceeding those which the said Offices adopt.

The rates of postage as well as the maximum limits of weight and dimensions to be observed in respect of correspondence posted in China and destined for any country of the Postal Union shall be in conformity with the stipulations of the Union.

ARTICLE XI.—Transport Services.—Each of the contracting Administrations shall securely convey the mails of the other Administration by the most direct route and by the most rapid means of conveyance at its disposal.

Each Administration will communicate to the other, from time to time, the organisation and movements of the railways, steamers, and other services utilised for the conveyance of the mails of the other Administration as well as the proposed time of despatch and arrival of its own mails.

ARTICLE XII.—Transit Charges on Closed Mails.—1.—Chinese and Japanese closed mails conveyed by means of Japan or China by virtue of the stipulations of Article I are subject to the territorial or maritime transit charges at the rates provided for in the Universal Postal Convention, to be credited to the Administration whose services participate in the conveyance. It is provided, however, that for railway conveyance within the Empire of China half of the Union rates shall apply to all services over a distance not exceeding 1,000 miles.

2.—Any conveyance on the Yangtze-kiang is considered as maritime transit.

3.—It is further understood that—

1°. Sea conveyance over a distance not exceeding 300 nautical miles is gratuitous if the Administration concerned already receives, on account of the mails conveyed, the remuneration applicable to territorial transit;

2°. Charges for transport of mails by means of services or ships independent of the Japanese or Chinese Administrations will be settled under the terms agreed between the interested parties.

ARTICLE XIII.—Charges on *à découvert* Correspondence.—1.—Correspondence sent *à découvert* from China through the intermediary of the Japanese Post Office for Postal Union countries by virtue of Article VII shall be subject, for the benefit of the Postal Administration of Japan, to the transit charges at the rate of closed mails provided for in the Universal Postal Convention.

2.—Chinese correspondence sent in closed mails or *à découvert* by the Transsiberian route to the countries of the Postal Union through the intermediary of the Imperial Japanese Post Office will be liable to the transit charges provided by mutual *entente* between the various Administrations concerned for this special route.

ARTICLE XIV.—Transit Statistics.—The transit charges provided for in the preceding two Articles shall be settled triennially between the Postal Administration of Japan and of China on the basis of the statistics to be taken every three years during the first 28 days of the month of May or of November alternately, according to the usual procedure followed between Administrations of the Postal Union.

ARTICLE XV.—Letters with Declared Value.—The exchange of letters with declared value of contents will be made the subject of a special arrangement between the Japanese and the Chinese Administrations as soon as circumstances may permit the Chinese Administration to organise this service.

ARTICLE XVI.—Responsibility: Registered Articles.—In case of the loss of a registered article, domestic or international, the Postal Administration in the service of which the loss took place shall be held responsible in accordance with the stipulations of the Universal Postal Convention.

ARTICLE XVII.—Responsibility: Closed Mails.—In case where a closed mail has been lost or damaged, or its contents abstracted, the Postal Administration in the service of which the loss, damage, or abstraction took place shall assume the responsibility in accordance with the stipulations of the preceding Article only in respect of the missing registered articles contained in the said mails.

ARTICLE XVIII.—Extent of Postal Agreement.—The stipulations of the Universal Postal Convention, as well as the Regulations for the execution of the above Convention, shall remain applicable as regards every postal relation between the Postal Administration of Japan and the Postal Administration of China not provided for by the Articles of the present Agreement.

ARTICLE XIX.—Duration of Postal Agreement.—The present Agreement shall come into operation on the 1st April 1910, and shall remain in force for an indefinite period. However, the two contracting Administrations are, at any time by common consent, at liberty to introduce in the present Agreement any such modifications as they may find necessary, or to bring the Agreement to an end at six months notice.

The present Agreement shall supersede, on the day on which it comes into operation, the Mail Service Provisional Arrangement between Japan and China, signed at Peking on the 18th May 1903.

Japan.

AGREEMENT REGULATING THE EXCHANGE OF POSTAL PARCELS BETWEEN THE IMPERIAL POSTAL ADMINISTRATION OF JAPAN AND THE IMPERIAL POSTAL ADMINISTRATION OF CHINA.

February 9th, 1910

The exchange of postal parcels between the Imperial Postal Administration of Japan and the Imperial Postal Administration of China shall be regulated according to the conditions hereunder stated.

CHAPTER I.—PARCELS *À DÉCOUVERT.*

ARTICLE I.—Places of Exchange.—The exchange of postal parcels, ordinary or of declared value, shall take place through the intermediary of the Japanese Post Offices established in China and the Chinese Post Offices established in the same localities as these Japanese Post Offices, the places of exchange being the same as those enumerated in Article I of the Postal Agreement concluded between the two Administrations on the 9th February 1910.

ARTICLE II.—Weights and Dimensions.—The maximum weight of a parcel is fixed at 12½ lb. (1,500 mommé), and the maximum dimensions at 60 centimetres (2 shaku) in any one direction.

The following exceptions, however, will be made:—

1°. The limit of weight for parcels destined for Offices of the Chinese Administration not connected by railway or steamers shall be 3 kilogrammes (800 mommé), and the volume must not exceed 25 cubic decimetres (1 cubic shaku).

2°. Parcels containing umbrellas, walking-sticks, charts, plans, and such-like articles shall be accepted if the dimensions do not exceed 1 metre (3 shaku 3 sun) in length and 20 centimetres (6.5 sun) in breadth or depth.

The limits in weight, dimensions, and volume may be hereafter increased by mutual consent between the two Administrations.

ARTICLE III.—Transmission.—1.—The Imperial Chinese Post Office undertakes the transmission to, and delivery at, any place where one of its establishments is or may hereafter be established of all parcels for China posted in Japan, Korea, or the Leased Territory of Kwantung and prepaid in Japanese postage stamps at the rate of postage provided for in Article IV, and handed over to the said Office *à découvert* by Imperial Japanese Post Offices in China.

2.—Imperial Japanese Post Offices in China undertake the transmission to, and the delivery at, destination of all parcels for Japan, Korea, or the Leased Territory of Kwantung posted in China and prepaid in Chinese postage stamps at the rate of postage provided for in Article IV, and handed over to the said Office *à découvert* by the Imperial Chinese Post Office.

3.—By measure of exception, however, postal parcels with declared value will only be transmitted through the intermediary of the Chinese Post Office to certain designated places, a revised list of which will from time to time be supplied to the Imperial Japanese Administration.

4.—The value declared on an insured parcel exchanged *à découvert* will not exceed 500 dollars (yen).

ARTICLE IV.—Postage.—1.—The rates of postage on parcels *à découvert* mentioned in Article III and the share to be allotted thereof to each Administration are as follows:—

	Japanese Post Office Share.	Chinese Post Office Share.	Total Postage.
	$	$	$
Parcels not over 200 mommé (1 lb. 10 oz.) . .	0.30	0.15	0.45
Parcels over 200 mommé but not over 400 mommé (3½ lb.)	0.35	0.20	0.55
,, 400 mommé but not over 600 mommé (5 lb.)	0.40	0.25	0.65
,, 600 mommé but not over 900 mommé (7½ lb.)	0.50	0.30	0.80
,, 900 mommé but not over 1,200 mommé (10 lb.).	0.60	0.40	1.00
,, 1,200 mommé but not over 1,500 mommé (12½ lb.)	0.70	0.50	1.20

By mutual consent between the two Administrations, these rates may be altered according to the amounts each Administration may desire to collect.

2.—Prepayment of postage on postal parcels shall be obligatory before departure; but the fee for delivery, if necessary, shall be payable by the addressee.

3.—Parcels destined for places in China not connected by railway or steamer, although fully prepaid at the rates provided in Article IV, may be further charged, for transmission to places beyond railway or steamer services, at the expense of the addressee, supplementary taxes, the amount of which shall conform to the published tariff of the Chinese Administration for its domestic parcels.

4.—It is understood that the Japanese Administration shall not tax parcels exchanged between its Offices in China at rates lower than those charged by the Chinese Administration.

ARTICLE V.—Insurance Fee.—The insurance fee on parcels of declared value shall be at the rate of 20 cents (20 sen) on parcels up to 10 dollars (yen) value, and 10 cents (sen) increase for each additional 10 dollars (yen) value.

Half of this fee shall accrue to the Administration performing transmission.

ARTICLE VI.—Parcels to or from a Third Country.—Parcels posted in one of the two contracting parties and sent through the other to a third country, or parcels posted in a third country and sent through one of the contracting countries to the other, may be exchanged between the two Postal Administrations of Japan and of China, in accordance with the stipulations of the preceding Articles.

It is provided that Chinese parcels for a third country have to pay the Chinese domestic rate, and in addition the rates as indicated in Table A drawn up by the Japanese Office.

The above provisions shall also apply to parcels exchanged between a third country and one of the two contracting countries and subsequently redirected or sent back to the other of the contracting countries.

ARTICLE VII.—Parcel Bill.—Parcels exchanged *à découvert* must be accompanied by a Parcel Bill, which shall be made out at the despatching Office of exchange in conformity with the specimen provided for in the Union Parcel Post Convention. Customs Declarations and, if any, other documents must be securely attached to the Parcel Bill.

The amount to be entered on the Parcel Bill shall be converted into French currency at the rate of 40 cents (sen) = 1 franc.

ARTICLE VIII.—Customs Declaration.—Every parcel *à découvert* must be accompanied by a Customs Declaration, giving the name, quantity, weight, and value of its contents.

Every parcel with declared value must bear on the Customs Declaration, and also on the address side of the parcel, a statement of the insured sum, which must be expressed by the sender in a very conspicuous manner in the money of the country of origin—dollars and cents, or yen and sen.

ARTICLE IX.—Customs Formalities.—The Customs formalities in China in respect of the parcels to be handed over *à découvert* to the Imperial Japanese Post Office in China by the Imperial Chinese Post Office and *vice versâ* shall always be fulfilled by the Imperial Chinese Post Office on the same conditions as other international parcels to or from its own service.

CHAPTER II.—CLOSED PARCEL MAILS.

ARTICLE X.—Exchange.—The exchange of closed parcel mails shall take place between the places of exchange as defined in Article I of Chapter I of this Agreement.

It is understood that at railway stations where no Post Offices of exchange exist, suitable local arrangements will be made by the officials of the contracting Administrations for the remitting and landing of closed parcel mails at these stations on the same principles as for ordinary closed mails.

ARTICLE XI.—Transmission.—The Postal Administration of China undertakes to convey all closed parcel mails exchanged between Japan, Korea, the Leased Territory of Kwantung, and an Imperial Japanese Post Office in China, between the Imperial Japanese Post Offices in China as well as between a third country and an Imperial Japanese Post Office in China, by means of railways, steamers, and other services, now established or hereafter to be established, which the said Administration may have at its disposal for the conveyance of its own parcel mails.

The Postal Administration of Japan undertakes to convey similarly all closed parcel mails exchanged between the Imperial Chinese Post Offices as well as between an Imperial Chinese Post Office and a third country.

The value declared on an insured parcel included in the closed parcel mails mentioned in the preceding paragraphs delivered for transmission to a Japanese or a Chinese Post Office, must not exceed 500 dollars (yen).

ARTICLE XII.—Transit Rates.—Chinese or Japanese closed parcel mails conveyed by means of the services of Japan or China by virtue of the stipulations of Article XI are subject to the territorial or maritime transit charges at the rates provided for in the Union Parcel Post Convention, to be credited to the Administration whose services participate in the conveyance. It is provided that, as regards the conveyance by railways in China, a half of the Union rates shall apply to the services at any distance not exceeding 1,000 miles.

Besides the above charges, every insured parcel, if any, included in the closed parcel mails mentioned in the preceding paragraph, is subject to the territorial or maritime insurance fee at the rates provided for in the aforesaid Convention, to be credited to the Administration which takes part in the conveyance.

ARTICLE XIII.—Way Bill.—Closed parcel mails shall be accompanied by a Way Bill, on which the despatching Office of exchange will enter the number, origin, destination, and weight of each parcel contained therein, and, in the case of an insured parcel, its declared value; this Way Bill will be handed over by the said Office to the intermediate Office of exchange.

CHAPTER III.—ACCOUNTS.

ARTICLE XIV.—Quarterly Accounts.—Each Administration shall cause each of its exchanging Offices to prepare an account quarterly, for all the parcels *à découvert* and the closed parcel mails received from the exchange Offices concerned of the other Administration, on the basis of the Parcel Bills and the Way Bills respectively mentioned in Articles VII and XIII.

ARTICLE XV.—General Annual Accounts.—The quarterly accounts mentioned in the preceding Article, after having been verified and accepted, on both sides, by the respective Post Offices, shall be included in the General Annual Account by the Administration to which the balance is due.

CHAPTER IV.—RESPONSIBILITY.

ARTICLE XVI.—Loss or Damage.—In case where an uninsured or insured parcel, whether domestic or international, has been lost or damaged or its contents abstracted, the Postal Administration in the service of which the loss, damage, or abstraction took place shall be held responsible in accordance with the stipulations of the Union Parcel Post Convention.

CHAPTER V.—CUSTOMS FORMALITIES FOR PARCELS TO BE DELIVERED BY OR POSTED AT THE JAPANESE POST OFFICE IN CHINA DIRECT.

ARTICLE XVII.—Customs Report and Payment of Duty.—The Japanese Post Office will send a detailed report to the Customs, giving the name and value of the contents, address, marks, quantity, and provenance of each parcel received, and unless as provided under Article XXII the parcel is to be examined, the Customs will immediately enter, on that report, the duty payable and return the report to the Post Office. The Post Office will then either direct the addressee to pay the duty into the Customs Bank and procure Customs Release Permit, or will itself collect such duty from the addressee.

ARTICLE XVIII.—Duty under Half a Tael.—Any Customs duty under half a tael per parcel will not be collected. It is, however, provided that in case two or more parcels containing similar merchandise and sent from the same sender to the same addressee have been received by the same mail the total amount of the Customs duty exceeds half a tael, the duty may be collected in respect of the whole of such parcels.

ARTICLE XIX.—Customs Release of Parcels.—No parcel is to be transmitted or delivered until either Customs Release Permit has been exhibited to, or the duty collected by, the Japanese Post Office, except in the case of parcels which have to be immediately redirected or sent back to Japan or a third country.

ARTICLE XX.—Monthly Remittance of Duty Collection.—The Customs duty collected by the Post Office will be remitted monthly to the Customs, and a return of the parcels on which the duty could not be collected will be supplied.

ARTICLE XXI.—Refund of Duties.—It is understood that the import or export duty originally collected on a parcel subsequently returned to the Office of origin will be refunded by the Customs provided the parcel is recognised by the latter to be still in its original packing and has been unopened.

ARTICLE XXII.—Customs Examination.—Whenever examination is necessary the Post Office will either send the parcel to the Customs or the Customs will send Examiners to the Post Office to open and examine the parcel in question in company with the postal officials, and the Post Office will admit such Examiners and give them every facility.

CHAPTER VI.—APPLICATION OF UNION CONVENTION.

ARTICLE XXIII. The stipulations of the Union Parcel Post Convention and the Regulations thereof shall remain applicable as regards every parcel post relation between the Empire of Japan and the Empire of China not provided for by the Articles of the present Agreement.

CHAPTER VII.—DURATION OF AGREEMENT.

ARTICLE XXIV. The present Agreement shall come into operation on the 1st April 1910, and shall remain in force for an indefinite period. The two contracting Administrations, however, are at liberty, at any time by mutual consent, to introduce in the present Agreement any such modifications as they may find necessary or to bring the Agreement to an end at six months notice.

The present Agreement shall supersede, on the day on which it comes into operation, the Parcel Post Provisional Arrangement between Japan and China, signed at Peking on the 18th May 1903, and the Understanding appertaining thereto.

Germany.

ARRANGEMENT REGULATING THE EXCHANGE OF POSTAL PARCELS BETWEEN THE ADMINISTRATION OF IMPERIAL POSTS OF GERMANY AND THE ADMINISTRATION OF IMPERIAL CUSTOMS AND POSTS OF CHINA.

July 19th and August 26th, 1910

The exchange of postal parcels between the Administration of Imperial Posts of Germany and the Administration of Imperial Customs and Posts of China, provided for in Article VIII, 1°, of the Postal Arrangement concluded on the 25th October/3rd November 1905 between the two abovementioned Administrations, shall be regulated according to the conditions hereunder stated.

Article 1.—*Weight of Parcels.*—1°. The maximum weight of parcels, whether of declared value or not, shall not exceed 10 kilogrammes.

2°. However, the exchange of postal parcels exceeding 5 kilogrammes in weight is restricted, provisionally, to parcels originating from and destined for Germany and the Offices of Tsingtau on the one part and China on the other.

3°. By way of exception, this limit of weight is fixed at 3 kilogrammes in relation with Offices of the Administration of Customs and Posts of China that are not connected by railway or by steamer; but this limit may, hereafter, be raised by mutual agreement between the two Administrations.

Article 2.—*Dimensions of Parcels.*—1°. Parcels destined for China shall not for the present exceed 1 metre and 50 centimetres in any one direction, nor a volume of 55 cubic decimetres, except in the case of parcels up to 3 kilogrammes and also those from 3 to 5 kilogrammes, the volume of which shall not exceed 25 cubic decimetres, and their size 60 centimetres in any one direction.

2°. However, parcels up to 5 kilogrammes, containing umbrellas, walking-sticks, charts, plans, and such-like articles, shall be accepted if they do not exceed 1 metre long and 20 centimetres broad or thick.

3°. The limits of dimension and of volume herein determined may be increased by mutual agreement.

ARTICLE 3.—*Exchange of Parcels.*—Unless otherwise agreed to by the two Administrations, the exchange of postal parcels shall take place through the intermediary of the German Offices established in China and the Chinese Offices established in the same localities as these German Offices.

ARTICLE 4.—*Transmission of Parcels.*—1°. The German Administration shall be the intermediary, by means of the postal services it may maintain, for the exchange of parcels between China on the one part and Germany, Tsingtau, the German Colonies and Protectorates, and foreign countries on the other.

2°. The Administration of Customs and Posts of China engages on its part to ensure the transmission by its services of all parcels that shall be handed to it by the German Administration.

ARTICLE 5.—*Tariffs and Postage.*—1°. Each Administration shall itself determine the taxes and duties to be collected on postal parcels forwarded by its own Offices. The prepayment of postage on postal parcels shall be obligatory before departure. The fee for delivery shall, however, be payable by the addressee.

2°. Moreover, parcels destined for places in China not connected by railway or by steamer may be further charged for transmission beyond railway or steamer services, at the expense of the addressee, supplementary taxes, the amount of which shall be determined by the Administration of Customs and Posts of China.

3°. The German Postal Administration shall collect, from the addressee, on parcels from 5 to 10 kilogrammes originating in China, an additional tax, in accordance with the German tariff, for the transmission of such parcels from Bremen or Hamburg to destination.

4°. The two Administrations shall supply each other with their respective tariffs.

5°. It is understood that the German Administration shall not tax parcels exchanged between its Offices in China at rates lower than those charged by the Chinese Administration of Posts.

ARTICLE 6.—*Transit Charges.*—1°. The Administration of Posts of China shall pay to the Administration of Posts of Germany for parcels destined for Germany and for each postal parcel the following charge:—

I. *Viâ Bremen or Hamburg (direct exchange)*:
  (*a.*) 2 francs for parcels up to 1 kilogramme.
  (*b.*) 3 francs for parcels from 1 to 5 kilogrammes.
  (*c.*) 4 francs 50 centimes for parcels from 5 to 10 kilogrammes.

II. *Viâ Italy and Austria-Hungary or Switzerland*:
  (*a.*) 3 francs for parcels up to 1 kilogramme.
  (*b.*) 4 francs for parcels from 1 to 5 kilogrammes. (This route is not open, for the present, for parcels from 5 to 10 kilogrammes.)

III. *Viâ Siberia*:
  The date of opening of this route and the conditions for the transmission of parcels shall be notified later to the Administration of Posts of China.

2°. The Administration of Posts of Germany shall pay to the Administration of Posts of China for parcels destined for China, and for each postal parcel, the following charge:—

(*a.*) 50 centimes for parcels up to 1 kilogramme.
(*b.*) 75 centimes for parcels from 1 to 5 kilogrammes.
(*c.*) 1 franc 25 centimes for parcels from 5 to 10 kilogrammes.

3°. With regard to the exchange of parcels originating from, or destined for, the German Offices at Tsingtau, the Administration to which the parcels are handed shall be entitled to a fee of 25 centimes per parcel.

4°. As to international postal parcels, the Administration of Posts of Germany shall notify to the Administration of Posts of China—

(*a.*) The nomenclature of countries with which it may serve as intermediary for the exchange of postal parcels;
(*b.*) The routes open for the transmission of such parcels from the time they enter its services;
(*c.*) The total amount of charges to which it is thereby entitled for each destination.

ARTICLE 7.—*Parcels of Declared Value.*—1°. Besides the transit charges, the Administration of origin shall pay, in respect of insurance fees on parcels of declared value, to the other Administration, and, if need be, to each Administration participating in the transmission when such Administration is under guarantee of responsibility, a proportional part of the determined insurance fee, viz., for 300 francs or fraction of 300 francs, 5 centimes for territorial transport, and 10 centimes per maritime service participating in the transmission.

2°. However, the insurance fee payable by the Chinese Administration to the German Administration for parcels destined for Germany carried over the undermentioned routes is thus modified:—

(*a.*) *Viâ Bremen or Hamburg*:
  20 centimes per 300 francs for parcels up to 5 kilogrammes.
  15 centimes per 300 francs for parcels from 5 to 10 kilogrammes.
  The insurance fee for territorial transport in Germany of parcels from 5 to 10 kilogrammes is collected by the German Administration of Posts from the addressee.
(*b.*) *Viâ Italy*:
  30 centimes per 300 francs.
(*c.*) *Viâ Siberia*:
  The insurance fees shall be notified later to the Administration of Posts of China.

As to postal parcels which may be forwarded in transit through Germany, the German Administration of Posts shall notify to the Administration of Posts of China the total of insurance fees to which it is entitled for each destination.

ARTICLE 8.—*Acknowledgment of Receipt.*—1°. The sender of a postal parcel may obtain an acknowledgment of receipt of his parcel by paying a fee that shall not exceed 25 centimes.

2°. The same fee may be charged when, subsequent to posting, inquiries are made about a parcel, provided the special fee for an acknowledgment of receipt has not been paid already.

3°. This charge shall accrue entirely to the Administration of origin.

ARTICLE 9.—*Delivery and Customs Formalities.*—It shall be allowable for the country of destination to collect from the addressee a fee that shall not exceed 25 centimes per parcel for delivery and Customs formalities.

ARTICLE 10.—*Annulment of Customs Duties.*—In the case of the retransmission or of the return of a parcel to the Office of origin, the Customs duties that have been paid on the parcel in the country of first destination shall be annulled.

ARTICLE 11.—*Responsibility.*—1°. Except in cases of *force majeure*, if a postal parcel be lost, despoiled, or damaged, the sender or, in his default, or by his request, the addressee shall be entitled to an indemnity corresponding to the actual amount of the loss, the spoliation, or the damage, unless this damage be caused by the fault or by the negligence of the sender, or be due to the nature of the parcel itself; but this indemnity shall not exceed 25 francs for ordinary parcels up to 5 kilogrammes, 40 francs for parcels from 5 to 10 kilogrammes, and the declared value for parcels of declared value.

Besides, the sender of a lost parcel shall be entitled to refund of the postage on the parcel and also to the postage expenses connected with making the inquiries when the cause of the claim is due to the fault of the Post Office. However, the insurance fee shall be retained by the Postal Administrations.

2°. The obligation to pay the indemnity shall be incumbent upon the Administration of the Office of origin; it shall then rest with this Administration to prefer a claim against the responsible Administration, that is to say, against the Administration upon whose territory or in whose service tne loss, spoliation, or damage shall have taken place.

3°. Until proved to the contrary, the responsibility shall remain with the Administration which, having received the parcel without making any remark, can establish neither its delivery at its destination nor, as may happen, its regular transmission to the next Administration.

4°. The payment of the indemnity by the Office of origin shall be made as soon as possible, and not later than one year after the date of the claim. The responsible Office shall refund without delay to the Office of origin the amount of the indemnity paid by the latter.

The Office of origin shall be authorised to indemnify the sender on behalf of the intermediary Office or of the Office of destination which, having been regularly notified, shall have allowed one year to elapse without having settled the claim.

Moreover, in the case of an Office whose responsibility shall be duly established which shall decline altogether to pay the indemnity, it shall undertake to pay, besides the indemnity, the accessory expenses resulting from undue delay in making the payment.

5°. It is understood that a claim shall be admitted only if made within one year from the date of posting the parcel; after this limit the claimant shall not be entitled to any indemnity.

6°. If the loss or damage happen during transmission between the Offices of exchange of the two Administrations, thus rendering it impossible to decide upon which of the two territories the act took place, the two Administrations concerned shall share the loss equally.

7°. The Administration shall cease to be responsible for postal parcels, delivery of which shall have been taken by the persons entitled to receive them.

ARTICLE 12.—*Articles prohibited.*—1°. Parcels shall not contain any letter or note, either sealed or open, that might establish a correspondence between the sender and the addressee. Exception may be made only in the case of invoices, price lists, and other open documents that relate exclusively to the contents of the parcel.

2°. The sender shall also be forbidden to enclose in a parcel any explosive or inflammable material and generally all articles the transmission of which presents any danger whatsoever, or the importation of which shall be contrary to the laws or to Customs regulations, or otherwise not authorised.

3°. Parcels containing money, articles made of gold or of silver, and other precious articles, must have their value declared.

4°. In case of infraction of these above rules, the parcel shall simply be returned to the place of origin.

5°. The two Administrations shall communicate to each other a list of things and products forbidden importation into their territories.

ARTICLE 13.—*Temporary Suspension of the Service.*—In extraordinary circumstances of a nature to justify the measure, each Administration may temporarily suspend the parcel post service, either entirely or partially, on condition that immediate notice be given, if need be by telegraph, to the other Administration concerned.

ARTICLE 14.—*Fulfilment of the Convention.*—1°. The Postal Administrations of Germany and of China shall settle all matters of detail and of disposition, in order to ensure the fulfilment of the present Convention.

2°. The Postal Administrations of Germany and of China shall designate the Offices or the localities at which the exchange of postal parcels is to be allowed.

3°. They shall supply to each other a list of the countries with which they may respectively serve as intermediaries and the list of localities open to the service.

ARTICLE 15.—*General Provision.*—The internal legislation of each of the contracting countries, as well as the dispositions of the International Convention concerning the exchange of postal parcels and of the detailed regulations thereto annexed, shall remain applicable to all points not herein provided for or not contrary to the present Convention.

ARTICLE 16.—*Duration of the Convention.*—The present Arrangement shall be put into operation from a day mutually agreed upon by both Administrations, and it shall remain in force for an indefinite period. However, the contracting parties reserve to themselves the right to make at any time such modifications therein as they may by mutual agreement judge necessary, or to terminate the Arrangement by giving at least six months notice in advance.

France (Indo-China).

ARRANGEMENT REGULATING THE EXCHANGE OF POSTAL PARCELS BETWEEN THE PROVINCE OF YUNNAN, INDO-CHINA, AND THE COUNTRIES BEYOND, THROUGH THE INTERMEDIARY OF THE SERVICES OF INDO-CHINA.*

July 24th and September 21st, 1911

ARTICLE 1.—POSTAL PARCELS LEAVING CHINA.—(*a*) *Originating at the Indo-Chinese Offices of Mengtsz and/or Yünnanfu.*—THE Indo-Chinese Offices of Mengtsz and Yünnanfu accept for transmission ordinary postal parcels for all the destinations mentioned in the postal tariff of Indo-China and collect the same taxes as that Administration, augmented by:—

1°. The share due to China for the transport in Yunnan, provisionally fixed by the Office of China at 0 fr. 70 centimes for parcels not exceeding 5 kilos. and 1 franc for parcels over 5 but not exceeding 10 kilos.;

* See the Convention with the *Compagnie Française des Chemins de Fer de l'Indo-Chine et du Yunnan* for the Transportation of Parcels Post, April 15th, 1912 (No. 1912/7, *post*).

2°. The cost of transport between Laokai and Haiphong, on the line belonging to the "Compagnie des Chemins de Fer de l'Indo-Chine et du Yunnan": 1 franc for parcels not exceeding 5 kilos. and 2 francs for parcels over 5 but not exceeding 10 kilos.

These parcels are forwarded, accompanied by a Parcel Way Bill, to the Chinese Office of exchange of Hokow, through the intermediary and under the care of the Chinese Offices of Mengtsz and Yünnanfu.

The Chinese Office of Hokow, after checking the parcels, returns to the Indo-Chinese Office of origin (Mengtsz or Yünnanfu), duly signed, the Parcel Way Bill which accompanied the parcels.

It then hands over the parcels, *à découvert*, after having entered them on a Parcel Way Bill, made out in duplicate, on which the Chinese Administration is credited, in column 9, with its share of the transport: 0 f. 70 centimes for parcels not exceeding 5 kilos. and 1 franc for parcels over 5 but not exceeding 10 kilos.

(*b.*) *Originating at the Chinese Offices in Yunnan.*—The Chinese Offices in Yunnan accept for transmission ordinary postal parcels for all the destinations mentioned in the postal tariff of Indo-China.

These parcels are handed over, *à découvert*, by the Chinese Office of Hokow to the Indo-Chinese Office of Laokai, accompanied by a Parcel Way Bill, on which the Chinese Office of Hokow enters to the credit of the Administration of Indo-China the shares of transport to destination due to that Administration, viz.:—

1°. Principal tax as per postal tariff of Indo-China;
2°. Cost of transport between Laokai and Haiphong on the line belonging to the "Compagnie des Chemins de Fer de l'Indo-Chine et du Yunnan": 1 franc for parcels not exceeding 5 kilos. and 2 francs for parcels over 5 but not exceeding 10 kilos.

The postal tariff of the Colony showing the taxes on postal parcels forwarded from Indo-China will be communicated to the Office of China by the Office of Indo-China.

ARTICLE 2.—Postal Parcels entering China.—(*a*) *Destined for Mengtsz and/or Yünnanfu.*—Indo-Chinese, French, or foreign ordinary postal parcels destined for Mengtsz or Yünnanfu are handed by the Indo-Chinese Office of Laokai to the Chinese Office of Hokow, in closed mails, accompanied by a Parcel Way Bill, in duplicate, on which the Indo-Chinese Office of Laokai enters to the credit of the Administration of China, in column 9, the share of the transport due to that Administration: 0 f. 70 centimes for parcels not exceeding 5 kilos. and 1 franc for parcels over 5 but not exceeding 10 kilos.

These parcels are then handed over to the Indo-Chinese Offices of Mengtsz and/or Yünnanfu through the intermediary and under the care of the Chinese services, to be delivered to the addressees.

(*b.*) *Destined for Localities other than Mengtsz and Yünnanfu.*—Indo-Chinese, French, or foreign ordinary postal parcels destined for places situated in the province of Yunnan other than Mengtsz and Yünnanfu are handed over, *à découvert*, by the Indo-Chinese Office of Laokai to the Chinese Office of Hokow, accompanied by a Parcel Way Bill, in duplicate, on which the Indo-Chinese Office of Laokai enters to the credit of the Administration of China, in column 9, the share of the transport due to that Administration: 0 f. 70 centimes for parcels not exceeding 5 kilos. and 1 franc for parcels over 5 but not exceeding 10 kilos.

These parcels are delivered by the Chinese Offices, which collect from the addressees of parcels destined for non-steam-served places in Yunnan supplementary taxes known as "domestic rates."

ARTICLE 3.—Postal Parcels exchanged by the Chinese Offices in transit through Indo-China.—(*a.*) *Postal Parcels leaving Yunnan.*—Postal parcels forwarded by the Chinese Office of Hokow to other Chinese Offices in the Empire of China, in transit through Indo-China and the maritime services and *vice-versâ*, pay the taxes fixed by the Administration of China.

These parcels passing in transit are handed over, *à découvert*, to the Office of Laokai by the Office of Hokow for Customs treatment, after which the parcels are placed by the two Offices of exchange in baskets supplied by the Administration of China. These baskets are then forwarded, in transit, through the maritime services *viâ* Hongkong to the Chinese Offices designated by the Chinese Office of Hokow.

The Chinese Office of Hokow enters to the credit of the Administration of Indo-China the maritime and territorial taxes for transport, as stipulated in Articles 3 and 6 of the Convention of Rome for the exchange of postal parcels, augmented by the share of transport on the line belonging to the "Compagnie des Chemins de Fer de l'Indo-Chine et du Yunnan": 1 franc for parcels not exceeding 5 kilos. and 2 francs for parcels over 5 but not exceeding 10 kilos.

(*b.*) *Postal Parcels entering Yunnan.*—Postal parcels coming from ports in China *viâ* Hongkong destined for Yunnan, for which the Administration of Indo-China must be credited with the total shares of transport to Laokai—including those relative to the distance Hongkong-Haiphong, when the transport has been effected by Indo-China steamers,—are forwarded in closed mails, in baskets supplied by the Administration of China, by the Chinese Offices of origin to the Indo-Chinese Office of Laokai, which Office hands them over *à découvert*, with the baskets, to the Chinese Office of Hokow.

ARTICLE 4.—Customs Duties and Formalities concerning Chinese or Foreign Postal Parcels exchanged in transit through the Services of Indo-China.—(*a.*) Indo-Chinese and Chinese parcels leaving the province of Yunnan, and those passing in transit through Indo-China, must be accompanied by two Customs Declarations. The examination of these parcels takes place at the Chinese Office of Hokow in the presence of an officer of the Indo-Chinese Customs, who will assist by giving the necessary indications, in order that the Customs Declarations may be drawn up in accordance with the terms of the General Tariff of the Indo-Chinese Customs. The Customs transit duties are paid immediately, and the amount of these duties, collected as per the General Tariff of the Indo-Chinese Customs, is handed by the Chinese Office of Hokow to the Collector of Customs of Laokai.

(*b.*) As regards Indo-Chinese or foreign parcels entering Yunnan, the formalities required by the Chinese Customs are performed at Mengtsz and/or Yünnanfu or at the place of destination.

ARTICLE 5.—Parcels with Declared Value.—Parcels with declared value exchanged between Chinese Offices, in transit through the services of Indo-China, are accepted by that Office, provided that they are transmitted packed in special baskets giving every guarantee as to the adequate protection of the contents.

The Administration of China, on its part, accepts parcels with declared value exchanged, in all relations, with the Indo-Chinese Offices of Mengtsz and/or Yünnanfu.

These parcels are entered on special Parcel Way Bills, and each Office participating in the transport receives the shares stipulated in the Convention of Rome for the exchange of postal parcels (Art. 3, § 4), viz., 0 f. 05 centimes per 300 francs or fraction of 300 francs of the declared value for territorial transit and 0 f. 10 centimes for maritime transit.

ARTICLE 6.—PARCEL WAY BILLS.—The Office of exchange which takes delivery of postal parcels signs, in token of receipt, one copy of the Parcel Way Bill, which is kept by the other Office of exchange to be attached to its accounts. The duplicate copy of the Parcel Way Bill accompanying the parcels is attached to the accounts of the Office which takes delivery of the parcels.

ARTICLE 7.—ACCOUNTS.—The two Offices of Laokai and Hokow are entrusted with the preparation of accounts.

To that effect, they prepare monthly a statement, in conformity with specimen K of the Convention of Rome for the exchange of postal parcels, and forward it, together with the Parcel Way Bills relating thereto, to the Directors General of their respective Administrations. After verification and acceptance, on both sides of the monthly account L prepared by the two Offices, the Administrations summarise the accounts in a quarterly statement, the balance of which is paid, in gold francs, by means of drafts drawn on the places chosen by mutual consent. The taxes collected in piastres and cents in Yunnan on parcels destined for the Indo-Chinese Offices are converted into francs at the official rate fixed by the Treasury of Indo-China at the time of the settlement of accounts, *i.e.*, on the last day of the quarter. This rate is regularly communicated by the Indo-Chinese Office of Laokai to the Chinese Office of Hokow.

ARTICLE 8.—GENERAL PROVISIONS AND RESPONSIBILITIES.—It is understood that as soon as the projected Arrangement between the Office of Indo-China and the "Compagnie des Chemins de Fer de l'Indo-Chine et du Yunnan," with a view to reduce the cost of transport, shall have been concluded, and the taxes provided for by the Convention of Rome become applicable to the Indo-Chinese transit, the Office of China will, in virtue thereof, reduce to 0 f. 50 and 0 f. 80 its shares of the transport in Yunnan, provisionally fixed at 0 f. 70 and 1 franc.

For all points that are not provided for by the present Arrangement, namely, as regards the question of the respective responsibility of the several Offices, the contracting parties will adhere to the rules laid down in the Convention of Rome for the exchange of postal parcels.

ARTICLE 9.—DURATION OF ARRANGEMENT.—The present Arrangement shall come into force as soon as the necessary notifications have been made by the Office of Indo-China to the International Bureau at Berne and the Administrations of China and Indo-China have agreed upon a date by simple exchange of letter. It shall remain in force for an indefinite period. The contracting parties reserve to themselves the right to make at any time such modifications therein as they may judge necessary and to terminate the Arrangement by giving notice three months in advance.

See also the postal arrangement with British India, February 9, 1909 (No. 1909/1, *post*), the arrangement with the Chinese Eastern Railway Company for the transportation of mails, February 6/19, 1909 (No. 1909/2, *post*), the parcel post arrangement with Hongkong, June 5 and 22, 1909 (No. 1909/4, *post*), the Convention with the Compagnie Française des Chemins de Fer de l'Indo-Chine et du Yunnan for the transportation of parcels post, April 15, 1912 (No. 1912/7, *post*), the parcels post convention with the United States, May 29 and July 11, 1916 (No. 1916/10, *post*), and the Agreement with Japan in regard to postal and telegraph operations at the leased territory of Kiaochow Bay and along the Kao-Tsi Railway, March 26, 1917 (No. 1917/5, *post*).]

NUMBER 1906/4.

RUSSIA AND THE UNITED STATES.

Exchange of notes in regard to the reciprocal protection of trade-marks in China.—June 28, 1906.*

Mr. Rockhill to Mr. Pokotilow.

PEKING, *June 28, 1906.*

MR. MINISTER AND DEAR COLLEAGUE: The Government of the United States being desirous of reaching an understanding with the Government of Russia for the reciprocal protection against infringement in China by citizens and subjects of our respective nations of trade-marks duly registered in the United States and Russia, I am authorized by the Secretary of State of the United States to inform you that the American consular courts in China afford protection against in-

* Text (and translation) as printed in *U. S. Treaty Series* (No. 484). Printed also in *Izviestia*, 1914, Vol. I, p. 1; *Malloy*, p. 1535.

fringement in China by American citizens of trade-marks the property of Russian subjects which have been duly registered in the United States.

I beg that you will kindly inform me whether like protection will be given to American citizens in the consular courts of Russia in China against the infringement by Russian subjects of their trade-marks duly registered in Russia.

I have the honor to be, my dear colleague, your obedient servant,

W. W. ROCKHILL.

His Excellency D. POKOTILOW,
Envoy Extraordinary and Minister Plenipotentiary, etc.,
Russian Legation, Peking.

Mr. Pokotilow to Mr. Rockhill.

[Translation.]

PEKING, *June 28, 1906.*

MR. MINISTER AND DEAR COLLEAGUE: I have the honor to acknowledge the receipt of your note of to-day's date by which you kindly inform me that the Government of the United States being desirous of reaching an understanding with the Imperial Government of Russia concerning the protection in China of trade-marks duly registered in Russia and the United States, you have been authorized to declare that the American consular courts in China have jurisdiction in all matters concerning the infringement by persons subject to the jurisdiction of the United States of trade-marks the property of Russian subjects which have been duly registered in the United States.

Being duly authorized by my Government, I have the honor to inform you that the Imperial Government is equally ready to insure in China through the Russian consular courts protection for trade-marks the property of persons subject to the jurisdiction of the United States and duly registered in Russia which may be infringed by Russian subjects. I deem it necessary, however, to observe that infringements of trade-marks not being considered by the American statutes a criminal offense persons subject to the jurisdiction of the United States having suffered injury can, through reasons of reciprocity, only claim before the Russian courts indemnification for the damages sustained by them.

Please accept, Mr. Minister and dear Colleague, the assurance of my highest consideration.

D. POKOTILOW.

His Excellency W. W. ROCKHILL,
Envoy Extraordinary and Minister Plenipotentiary, etc.,
American Legation, Peking.

NUMBER 1906/5.

INTERNATIONAL AND CHINA.

International Red Cross Convention for the amelioration of the condition of the wounded of the armies in the field.—July 6, 1906.

[The text of this convention is not included in the present compilation, as it appears to have no particular interest in reference to China. Translations of the French texts of the convention, concluded at Geneva, July 6, 1906, and of the final protocol of the Conference for the revision of the Geneva convention (of August 22, 1864), signed at Berne, August 22, 1906, are to be found in *Malloy*, p. 2183.]

NUMBER 1906/6.

BELGIUM AND RUSSIA.

Exchange of notes concerning the reciprocal protection of trade-marks in China.—October 15, 1906.*

NOTE ADDRESSED BY THE CHARGE D'AFFAIRES OF BELGIUM AT PEKING TO THE RUSSIAN MINISTER, UNDER DATE OCTOBER 2/15, 1906.

I have the honor to acknowledge to your Excellency the receipt of the note† which you were so good as to address to me on the subject of the reciprocal protection of Belgian and Russian trademarks in China.

This communication notes that the Imperial Government has given the necessary instructions in order that the Russian consular tribunals may assure the legal protection of trademarks belonging to Belgian nationals (i.e., *ressortissants belges*) and duly registered in Russia.

In taking note of this communication I have the honor to make known to your Excellency that the Government of the King, for its part, assures the protection in China of Russian trademarks (i.e., *marques de fabrique et de commerce russes*), regularly registered in Belgium, which may be infringed by Belgian nationals.

The King's legation, as well as the Belgian consulates, vice consulates and agencies in China, are competent to take jurisdiction of such claims as may be brought before them in such cases.

I have taken care to advise our consular agents in China of the conclusion,

* Translation from French text as printed in *Izviestia*, 1914, vol. 1, p. 2.

† The note referred to, dated September 29/October 12, 1906, was identical, *mutatis mutandis*, with that addressed to the British Minister on October 16/29, 1906 (No. 1906/8, *post*).

between Belgium and Russia, of the agreement which is effected by the exchange of correspondence that has taken place between us.

Accept, etc.

(Sgd.) De Prelle.

NUMBER 1906/7.

ITALY AND RUSSIA.

Exchange of notes concerning the reciprocal protection of trade-marks in China.‡—October 16, 1906.

Note of the Italian Minister at Peking to the Russian Minister, under date of October 3/16, 1906.

By your note of today's date§ you were so good as to inform me that as the Imperial Government desires to come to an agreement with the Government of Italy concerning the reciprocal protection in China of trademarks (i.e., *marques de fabrique et de commerce*) duly registered in Russia and in Italy, you have been authorized by the Minister for Foreign Affairs of Russia to declare to me that the Government of Russia is ready to enforce, through its consular tribunals in China, all claims relating to the infringement of trademarks (i.e., *marques de fabrique et de commerce*), duly registered in Russia, committed by Russian subjects aganist Italian nationals (i.e., *ressortissants italiens*).

In taking note of this communication I have the honor to inform you that I am for my part authorized by the Royal Government to declare to you that the infringement of Russian trademarks (i.e., *marques de fabrique et de commerce russes*), duly registered in Italy, committed by persons subject to the jurisdiction of the Italian consular tribunals in China, will, in accordance with the provisions of the law, be tried in the first instance by the consular tribunals mentioned above, and on appeal by the Royal Court of Appeal at Ancona.

Accept, etc.

(Sgd.) Baroli.

‡ Translation from French text as printed in *Izviestia*, 1914, vol. I, p. 3.

§ The note referred to was identical, *mutatis mutandis*, with that addressed to the British Minister on October 16/29th, 1906 (No. 1906/8, *post*).

NUMBER 1906/8.

GREAT BRITAIN AND RUSSIA.

Exchange of notes concerning the reciprocal protection of trade-marks in China.—October 29, 1906.*

NOTE OF RUSSIAN MINISTER AT PEKING TO BRITISH MINISTER.

Imperial Russian Legation,
Peking, October 16/29, 1906.

MR. MINISTER AND DEAR COLLEAGUE,

The Imperial Government being desirous of arriving at an agreement with the Government of Great Britain in regard to the reciprocal protection, in China, of trademarks (i.e., *marques de fabrique et de commerce*) duly registered in Russia and in England, I have the honor to advise you that I am authorized by the Minister for Foreign Affairs of Russia to declare to you that the Government of Russia is ready to enforce, through its consular tribunals in China, all claims relating to the infringement of trademarks (i.e., *marques de fabrique et de commerce*), duly registered in Russia, committed by Russian subjects against English nationals (i.e., *ressortissants anglais*).

I should be obliged if you would be so good as to advise me if the same protection would be accorded, in the consular tribunals of Great Britain in China, to trademarks belonging to Russian subjects and regularly registered in England, which might be infringed by English subjects.

Accept, etc.

(Sgd.) D. POKOTILOW.

NOTE OF BRITISH MINISTER TO RUSSIAN MINISTER.

SIR, *Peking, October* 30, 1906.

I have the honour to acknowledge the receipt of your note of the 29th October, in which you are good enough to inform me that you have been authorized by the Russian Minister of Foreign Affairs to declare that the Russian Government are ready, through their Consular Tribunals in China, to enforce any request relative to infringements of British trade-marks duly registered in Russia, which may be committed by Russian subjects.

In reply, I have the honour to inform you that under the Order in Council of February 2nd, 1899,† it is open to a Russian whose trade-mark, duly registered in Great Britain, has been infringed by a British subject in China, to take proceedings against the latter in the British Court, provided—

* Translation from the French text as printed in *Izviestia*, 1914, vol. I, p. 4. Printed also in *Hertslet*, p. 617.

† For the relevant articles of the Order in Council of February 11, 1907, replacing the provisions of the Order in Council here cited, see note to the Anglo-American arrangement concerning trade-marks in China (No. 1905/4), at page 505, *ante*.

(1) That the consent in writing of His Majesty's Minister or Chargé d'Affaires be obtained to the prosecution, but (2) such consent may be withheld unless His Majesty's Minister or Chargé d'Affaires is satisfied that effectual provision exists for the punishment in the Russian Consular Courts of Russian subjects infringing British trade-marks.

In view of the assurances given by your Excellency in the note under reply, I am authorized by His Majesty's Government to inform you that it is not open to doubt that, in practice, the consent of the British Minister or Chargé d'Affaires would be given in any and every case where full reciprocity could be and was granted by Russia.

I shall not fail to inform His Majesty's Government of this exchange of notes nor to issue the necessary instructions to His Majesty's Consular Officers in China.

I have, &c.,

J. N. JORDAN.

NUMBER 1906/9.

FRANCE AND RUSSIA.

Exchange of notes concerning the reciprocal protection of trade-marks in China.—November 30, 1906.*

NOTE OF THE FRENCH MINISTER AT PEKING TO THE RUSSIAN MINISTER, UNDER DATE OF NOVEMBER 17/30, 1906.

I have the honor to take note of your dispatch of today's date,† by which you are so good as to make known to me that your Government will enforce, through its consular tribunals in China, all claims presented by a French national (i.e., *un ressortissant français*) in respect to infringements of French trade-marks (i.e., *marques françaises de fabrique et de commerce*), duly registered in Russia, which may be committed by Russian subjects.

I am, for my part, authorized by my Government to declare to you that the French consular tribunals in China will, from today's date, assure the protection of Russian trademarks (i.e., *marques russes de fabrique et de commerce*), duly registered in France, which may be infringed by French nationals (i.e., *ressortissants français*), and that for this purpose they will take jurisdiction of all claims that may be presented to them in such cases by Russian subjects.

Accept, etc.

(Sgd.) BAPST.

* Translation from the French text as printed in *Izviestia*, 1914, vol. I, p. 6.

† The note referred to was identical, *mutatis mutandis*, with that addressed to the British Minister on October 16/29, 1906 (No. 1906/8, *ante*).

NUMBER 1906/10.

JAPAN AND CHINA.

Agreement for the rendition of the Port of Ying-k'ou (Port of Newchwang).‡— December 5, 1906.§

In accordance with the Four Articles agreed upon by the Governments of China and Japan at Peking in the month of October last, || providing for the return of Ying-k'ou by Japan to the control of China, the two Governments mentioned have now appointed representatives, who have met at Ying-k'ou and have agreed upon the following:

1. Whereas Article I of the Peking Memorandum provides that previous to the withdrawal of the Japanese Military forces regulations relating to quarantine inspection (or public health) at Ying-k'ou shall be adopted by the Chinese local authorities in consultation with the Japanese Consul, now, therefore, we, representatives of the two Governments concerned, have agreed that, for the time being, such matters shall be dealt with under the regulations adopted by the Japanese military authorities, and that afterwards, should occasion arise requiring their modification, the Chinese local authorities may of their own authority take such action as may be needed.

2. Whereas Article II of the Peking Memorandum provides that all public works begun during the military occupation, or for which arrangements were made at that time shall be taken over by the local authorities, or by them allowed

‡ Translation from the Chinese text.

In connection with this agreement see also the treaty between Japan and China, December 22, 1905 (No. 1905/18, *ante*).

§ Signed at Newchwang.

|| The Chinese text reads "Japanese calendar 10th month (i.e., October); Chinese calendar 9th moon (i. e., 18th October-15th November)." The Peking Agreement referred to was signed November 9th, 1906, between the Wai Wu Pu and Mr. Hayashi, Minister of Japan, in terms of which the following is a translation:

Agreement in regard to Rendition of Yingkow, November 9, 1906.

"(1) Previous to the withdrawal of the Japanese troops from Ying-k'ou (Port of Newchwang) all regulations relating to quarantine inspection and the prevention of epidemics must be determined by the local authorities in consultation with the Japanese Consul.

"(2) All public works begun during the period of military occupation or arranged for but not yet begun must be taken over and completed by the local authorities, or the latter must allow the Japanese to complete them.

"(3) All matters relating to police and sanitation shall be under the control of the Chinese local authorities, who shall administer them in a thoroughly efficient manner so as to secure the general welfare. To this end, Japanese Police Inspectors and Medical Officers are also to be employed. Should the administration be unsatisfactory in any particular the Japanese Consul may make representations to the local authorities, who shall advise with him and take such action as the circumstances may require.

"(4) Both the Native Customs and the Imperial Maritime Customs shall be under the control of the Customs Taot'ai. The Chinese Government shall for the present deposit all receipts from both Customs with the Yokohama Specie Bank, but hereafter, as soon as the Bank of the Board of Finance shall have established its branch, these receipts shall be deposited with both banks."

to be undertaken by the Japanese, we now find that the Japanese military authorities have granted permission to a joint stock company to establish water works, electric tramways, an electric light plant, and a telephone system at Ying-k'ou, and we, representatives of the two Powers concerned, have agreed that the said company may undertake the water works, electric tramways, and electric lighting, but that it will be necessary first to send the Regulations adopted by the company to Peking to be filed with the Board(s) concerned, and, if it shall appear necessary to the said Board(s) so to do, to be altered, or to have additions made to them, or excisions from them; and the said company agrees to comply accordingly.

As for the telephone system, it should be taken over by the Imperial Chinese Telegraph Service, and be operated by it, and the said Telegraph Service and the company shall each appoint a representative to examine the telephone property, as already established in Ying-k'ou, and estimate the price at which it shall be bought. If these representatives fail to agree upon a price, the said Telegraph Service and the company shall together select a disinterested arbitrator to determine the same, whose decision shall be accepted by both parties.

As to the abattoir, it shall be taken charge of by the Health Office, and the manner of fixing the price at which it shall be bought shall be similar to that adopted in the case of the purchase of the telephone system by the Telegraph Service.

The light railway extending from Ying-k'ou to Niuchia-t'un shall be taken up as soon as the electric tramway is completed. All works of public utility undertaken by the Japanese military authorities, or arranged for but not yet begun, the Chinese local authorities agree to take over and complete as planned.

3. Whereas it is provided in Article III of the Peking Memorandum that matters affecting police administration and public health shall be under the control of the Chinese local authorities; that the management thereof shall be most efficient so as to secure public safety; that Japanese police instructors and physicians shall be employed in the administration, and that, if any cause of dissatisfaction should arise, the Japanese Consul may notify the local authorities who shall consult with him and take the necessary action; now we, representatives of the two Governments concerned, have agreed that in the employment of Japanese police instructors and physicians the same regulations shall be adopted as in the case of the Japanese police instructors and physicians employed in Tientsin, except in the matter of salaries; and, if hereafter dissatisfaction should occur in the administration of police affairs, immediately upon a notification to that effect from the Japanese Consul the local authorities shall consult with him and take such action as may be needed.

4. No suits at law decided during the military occupation shall be reopened by the Chinese local authorities. The records in all such cases, and other documents connected with them, shall be delivered by the military government to the Chinese local authorities for filing. The military government shall also make copies of all such records and deposit the same at the Japanese Consulate at Ying-k'ou.

5. Whereas it is provided in Article 4 of the Peking Memorandum that

both the Imperial Maritime Customs and the Native Customs shall be placed under the control of the Customs Taot'ai, and that the Chinese Government shall for the present deposit the receipts of both said customs with the Yokohama Specie Bank, and that hereafter when the Bank of the Board of Finance shall have established a branch (at Ying-k'ou) the receipts shall be deposited with both banks; now therefore we, representatives of the two Governments concerned, have agreed that the local authorities concerned and the Yokohama Specie Bank shall together arrange the terms of such deposit with the Yokohama Specie Bank at Ying-k'ou.

6. The military government at Ying-k'ou agree that on the sixth of December, 1906, it will entirely withdraw from said port.

(Dated) Ming-chih (Meiji) XXXIX Year, 12th Month, 5th Day. Kuang Hsü XXXII Year, 10th Moon, 20th Day. (December 5, 1906.)

(Signed) Moritaro Abé,
First Secretary, Japanese Legation,
Ananoshin Segawa,
Japanese Consul at Newchwang,
Lieut. Colonel Kikei Yokura,
Representatives of the Imperial Japanese Gov't.
Liang Ju-hao [M. T. Liang],
Intendant of the Chin-chen-Shan-hai-kuan Circuit,
Representative of the Imperial Chinese Gov't.

NUMBER 1907/1.

GERMANY AND RUSSIA.

Exchange of notes concerning the reciprocal protection of trademarks in China.‡ —February 1, 1907.

Note of the German Minister at Peking to the Russian Minister, under date of January 19/February 1, 1907.

By your dispatch of today's date § your Excellency was so good as to inform me that as the Government of Russia is desirous of arriving at an understanding with the Government of Germany concerning the reciprocal protection in China of trademarks (i. e., *marques de fabrique et de commerce*) duly registered in Russia and in Germany, you had been authorized by the Minister for Foreign Affairs of Russia to declare to me that the Government of Russia is ready to enforce, through its consular tribunals in China, all claims relating to the infringement of trademarks (i. e., *marques de fabrique et de commerce*), duly registered

‡ Translation from the French text as printed in *Izviestia*, 1914, vol. I, p. 7.
§ The note referred to was identical, *mutatis mutandis*, with that addressed to the British Minister on October 16/29, 1906 (No. 1906/8, *ante*).

in Russia, committed by Russian subjects against German nationals (i. e., *ressortissants allemands*).

In reply to this communication I have the honor to bring it to the knowledge of your Excellency that my Government gladly accedes to the proposed agreement and has authorized me to take steps to that end herewith. I am authorized to declare, for my part, to your Excellency that the Government of Germany will assure the protection in China of trademarks (i. e., *marques de fabrique et de commerce*), the property of Russian nationals (i. e., *ressortissants russes*), regularly registered in Germany, which may have been infringed by German nationals (i. e., *ressortissants allemands*).

The consular tribunals of Germany in China will therefore take jurisdiction of all claims that may be presented them in such cases by Russian nationals (i. e., *ressortissants russes*).

Accept, etc.

(Sgd.) Rex.

NUMBER 1907/2.

GREAT BRITAIN (British and Chinese Corporation, Limited) AND CHINA.

Agreement for the issue and regulation of a loan for the construction of the Canton-Kowloon Railway.—March 7, 1907.*

This Agreement is made at Peking on the twenty-third day of the first month of the thirty-third year of Kwang Hsu, corresponding to the seventh day of March, 1907, and the contracting parties are:—

The Wai-Wu-Pu acting under the authority of an Imperial Decree, of the one part, and the British and Chinese Corporation, Limited, (hereinafter called the Corporation) of the other part.

Whereas a preliminary agreement was made on the 28th March, 1899, between H. E. Sheng, Director General of the Imperial Chinese Railway Administration, acting under the authority of the Tsung-li Yamen, of the one part, and the British firm of Jardine, Matheson and Company, for themselves and on behalf of the Hongkong and Shanghai Banking Corporation, representing as Joint Agents the Corporation, of the other part, and it was part of the objects thereof that the terms of another preliminary agreement signed by the same contracting parties on the 13th May, 1898,† should be thereby adopted as a preliminary agreement for the construction and working of a Railway from the city of Canton to the boundary of the Kowloon leased territory under British control, subject, however, as far as might be practicable, to the terms and con-

* Text as printed in *Wang*, p. 361. Printed also in *Kent*, p. 287; *F. E. Review*, vol. V p. 148. See Note to this document, *post*, p. 626.

† Preliminary agreement for the Shanghai-Nanking Railway, attached to the final contract of July 9, 1903 (No. 1903/2, *ante*).

ditions thereafter agreed to in the final contract for the Shanghai-Nanking Railway when signed and ratified.

Now it is hereby agreed by and between the parties hereto as follows:—

ARTICLE 1.—The Corporation agrees to issue, on behalf of the Imperial Chinese Government, a sterling loan (hereinafter referred to as "the Loan") for the amount of £1,500,000 on the terms and conditions hereinafter contained. Imperial Chinese Government Bonds are to be issued for the entire amount, similar to the Bonds of the Shanghai-Nanking Railway, with the Railway as first mortgage security therefor. The Loan shall be in one issue, and the price agreed upon is 94% of the nominal value, subject to the other provisions of this Article as hereinafter stated. The interest on the Bonds shall be at the rate of 5% per annum on their nominal value, payable half-yearly, on the first day of June and the first day of December, and shall be calculated from the date of their sale to the public.

The Loan shall be issued to the public as soon as possible after signing this Agreement, but, if at the date of signature thereof, owing to an unfavorable state of the market rendering the issue of the Loan and the payment of its proceeds to the Viceroy of Canton impossible on the terms above named, then in such case the Corporation shall thereafter, at such times as the Chinese Government may decide within a period not exceeding eight (8) months, issue the Loan and pay the proceeds thereof to the Viceroy, deducting and retaining six (6) points from the rate at which the Loan is actually issued to the public, whatever that rate may be, (i. e. if the issue price be 101 the Viceroy will receive 95 and so on).

Subject to the provisions of Article 16, the duration of the Loan is fixed at thirty (30) years commencing from the date of the signature of this Agreement, but no interest shall be paid on any Bonds which may be redeemed or cancelled under the terms hereinafter mentioned after the redemption or cancellation thereof.

On the face of each of these Bonds shall be expressed the value thereof in the sum of £100, or in such different amounts as the Chinese Minister in London in consultation with the Corporation may sanction.

It is understood that the Chinese Government may hereafter, in its discretion, appoint a Director General of the Railway upon whom, in such case, will devolve all the powers, functions and responsibility herein attributed to the Viceroy of Canton (hereinafter called the Viceroy).

ARTICLE 2.—The proceeds of the Loan are to be used in the construction and equipment of the Railway, and in paying interest on the Loan during the course of construction.

The Railway, being the first mortgage security for the Loan, shall be built and equipped under the direction of the Viceroy, in accordance with the provisions of Article 6 hereinafter, and shall be built as economically as possible in accordance with the best modern system.

It is understood that the Viceroy will secure all the necessary land for the Railway, and will give the necessary instructions to expedite and facilitate the work of construction. The Railway will be built in the first instance as a single

line, but provision will be made, with the approval of the Viceroy, and wherever necessary to meet traffic requirements, for the eventual construction of a double line.

If, during the time of construction, the proceeds of the Loan, together with the accrued interest thereon, payable by the Corporation, should, after the deduction of the sums necessary for the payments of interest on the Loan, be insufficient to complete the construction of the Railway, the amount of the deficiency shall either be provided from the Chinese Government's own resources or by a Supplementary Loan to be hereafter issued by the Corporation, the interest and other conditions of which Supplementary Loan shall be arranged when the time arrives, having due regard to the conditions of the money market.

When the Railway is complete, if there is a surplus from the sale of Bonds, the said surplus shall be at the disposal of the Chinese Government either to redeem the Bonds in accordance with the terms of this Agreement as hereinafter stated, or to be placed on deposit with the Hongkong and Shanghai Banking Corporation for the purpose of paying interest on the loan, or for other purposes beneficial to the Railway, in regard to which the Viceroy will communicate in due course with the Corporation.

In all matters relating to the construction of the Railway it is expressly agreed that particular heed shall be paid to the opinions and habits of the Chinese people, and that, when practicable, Chinese shall be employed in positions of trust and responsibility in connection with the Railway.

In regard to earthwork, or such other work as Chinese are competent to perform, contracts shall be entered into for such work with Chinese, under the sanction of the Head Office, and the work itself shall be carried out in accordance with plans and specifications of the Engineer-in-Chief and under his supervision.

Detailed plans and estimates of cost, whether of the respective sections of the Railway, or of any alterations of the same, are to be submitted for the approval of the Viceroy, by the Engineer-in-Chief through the Managing Director.

Article 3.—The Loan shall be secured by mortgage declared to be now entered into in equity by virtue of this Agreement, and shall, as soon as possible hereafter, be secured by a specific and legal first mortgage in favour of the Corporation upon all lands, materials, rolling stock, buildings, property and premises, of every description purchased or to be purchased for the Railway, and on the Railway itself, as and when constructed, and on the revenue of all descriptions derivable therefrom.

The provisions of this Article in respect of the mortgage, are to be construed and treated as equivalent in purport and effect to a mortgage customarily executed and delivered in England to a Trustee for the purpose of securing Loans and Bond Issues upon Railway properties in foreign countries.

Article 4.—It is hereby agreed that in six (6) months after this agreement is signed, the Corporation shall provide the amount necessary to proceed with the detailed survey of the Railway, and for preliminary construction work if

necessary, whether this amount comes from the sale or hypothecation of the Bonds, or from advances made, provided that Bonds for the required amount shall have been executed and delivered to the Corporation. If, after expiration of eight (8) months from the date of the ratification hereof, the work of construction shall not have been begun on the Railway, this Agreement is to become null and void, but if failure to commence construction be due to any cause of force majeure, a reasonable extension of this time limit shall be arranged between the Viceroy and the Corporation.

Of the proceeds realized from the sale of the Bonds, after deducting so much of them as may be required to be kept in England for the purchase of materials and the payments of contracts there, or for repayment of advances, such amounts as may be estimated and certified to by the Engineer-in-Chief to the Viceroy through the Managing Director, as being actually required for the construction of any particular section of the Railway, may be ordered by the Viceroy, after consideration, to be transferred to Hongkong to be kept in the Hongkong and Shanghai Bank, and placed to the credit of the construction account of the Railway for the exclusive purpose of constructing the Railway in the manner herein provided for under the supervision of the Head Office and the Viceroy.

On each occasion of a remittance being made to China, the amount realised in Sycee will be reported to the Viceroy, and any portion which may not be required shall be placed at interest. Similarly, the balance in England shall be placed at interest, to be allowed at the usual rate.

The accounts of the money spent from time to time in England, and of the money transferred to the credit of the construction and other accounts for use in China, are to be submitted quarterly to the Head Office for report to the Viceroy for the information of the Waiwupu, and for his further report to the Board of Revenue, and the Board of Communications, for record therein, after such accounts have been approved and signed by him.

Article 5.—As to the form of the Bond, it is to be agreed upon by the Viceroy or by the Chinese Minister in London and the Corporation, as soon as possible after the signature of this Agreement, but if, hereafter, the money markets in London or other countries require any modification of the form of the Bond, except in anything that affects the amount of the Loan and the liability of the Chinese Government, which are not to be touched at all, such slight modifications may be made to meet the views of the money markets by the Corporation in consultation with the Chinese Minister in London.

Any modifications are to be reported at once by the Corporation to the Viceroy for the approval of the Waiwupu.

The Bonds are to be engraved entirely in the English language, and shall bear the fac-simile of the signature of the Viceroy and of his seal of office, in order to dispense with the necessity of signing them all in person, but the Chinese Minister in London shall, previous to the issue of any Bonds, put his seal upon each Bond with a fac-simile of his signature, as a proof that the issue and sale of the Bonds are duly authorised and binding upon the Chinese Government.

Such Bonds are to be numbered consecutively, and as many Bonds as may

be needed are to be properly engraved under the supervision of the Corporation, and after they are sealed by the Chinese Minister in London, as hereintofore provided, are to be countersigned by the Corporation.

All expenses for the engraving, safe deposit, and sale of the Bonds are to be borne by the Corporation.

ARTICLE 6.—When the work of construction is ready to begin, the Viceroy will establish a Head Office at Canton for the construction and management of the Railway. This Office will be under the direction of a Chinese Managing Director (appointed by the Viceroy) with whom will be associated a British Engineer-in-Chief, and a British Chief Accountant. These British employés shall be proposed and certified as competent for their posts, by the Corporation, and shall be aproved by the Viceroy; if their services should prove unsatisfactory to the Viceroy, he shall request the Corporation to dispense with their services and to nominate their successors, and, in the event of the Corporation desiring to remove them for good cause, it shall do so in consultation with the Viceroy. It is understood that the duties performed by these employés are intended to promote the mutual interests of the Chinese Government and the Bondholders respectively, and it is therefore agreed that all cases of difference arising therefrom shall be referred for amicable adjustment between the Viceroy and the Representative of the Corporation. The salaries and other terms of agreement of the Engineer-in-Chief and the Chief Accountant shall be proposed by the Corporation, for approval by the Viceroy; and the amount of their salaries etc., shall be paid out of the general accounts of the Railway.

For all important technical appointments on the Railway Staff, Europeans of experience and ability shall be engaged, and wherever competent Chinese are available, they shall also be employed. All such appointments shall be made, and their functions defined, by the Managing Director and the Engineer-in-Chief in consultation, and shall be submitted for the Viceroy's approval; similar procedure shall be followed in the case of Europeans employed in the Chief Accountant's department. In the event of the misconduct, or the incompetency of European employés, their services may be dispensed with by the Managing Director, after consultation with the Engineer-in-Chief, and subject to the sanction of the Viceroy. The form of agreements made with European employés shall conform to the usual practice.

The accounts of the receipts and the disbursements of the Railway's construction and operation, shall be kept in Chinese and English in the Department of the Chief Accountant, whose duty it shall be to organise and supervise the same, and to report thereon for the information of the Viceroy through the Managing Director, and of the Corporation. All receipts, and payments, shall be certified by the Chief Accountant and authorized by the Managing Director.

For the general technical staff of the Railway the necessary arrangements shall be made by the Managing Director in consultation with the Engineer-in-Chief, and reported to the Viceroy in due course.

The duties of the Engineer-in-Chief shall consist in the efficient and economical construction and maintenance of the Railway, and the general supervision thereof in consultation with the Managing Director. He shall always give

courteous consideration to the wishes and instructions of the Viceroy, whether conveyed directly or through the Managing Director, and shall always comply therewith, having at the same time due regard to the efficient construction and maintenance of the Railway.

A school for the education of Chinese in railway matters shall be established by the Managing Director, subject to the approval of the Viceroy.

ARTICLE 7.—Under the provisions of Article 3 of this Agreement the properties covered by the first mortgage security hereby created include the Railway, its property and equipment, and the mortgage is to be executed by a deed in the form contemplated by the said Article. But subject to the guarantee and mortgage thus given by the Chinese Government, it is hereby declared that this Railway is in fact a Chinese property.

All land that may be required along the whole course of the Railway within survey limits, and for the necessary sidings, stations, repairing shops and car sheds, to be provided for in accordance with the detailed plans now made, or hereafter to be made by the Engineer-in-Chief, and approved by the Viceroy, shall be acquired by the Viceroy at the actual cost of the land, and shall be paid for out of the proceeds of the Loan.

The title deeds of the land for the Railway and all other lands shall be free from all encumbrances and entanglements and shall, from time to time, as soon as secured, be registered in the name of the Railway.

Notices of all purchases of lands for the Railway within the survey limit (together with corresponding title deeds) are to be transmitted by the Railway Head Office under the direction of the Viceroy to the local Agent of the Corporation for record and preservation in its office in Hongkong, and for the purpose of establishing the first mortgage security until the time when the same are to be returned to the viceroy, as hereinafter in this Article provided.

All lands, the title deeds of which are lodged with the Corporation as part of the first mortgage security of the Loan, shall not be disposed of in any way by hire, lease, or sale, to any party, for any purpose whatsoever, without the written consent of the Viceroy, except only in the event of the Imperial Chinese Government failing to pay the interest or principal of the Bonds, and then in accordance with the powers in the deed of mortgage.

The lands thus bought shall be free from all encumbrances, liabilities and entanglements, and shall be conveyed by full and sufficient deeds of assignment according to Chinese law, all of which are to be kept and recorded in the Hongkong Office of the Corporation, and are to be held by it as a first mortgage security for the Bonds under the provisions of this agreement, until such time as principal and interest of the bonds, together with all indebtedness, shall have been paid off, when the same shall then be returned to the Viceroy, except only in the case of the Imperial Chinese Government's failure to pay the interest or principal of the Bonds and consequent realization under the powers of the mortgage security.

For the proper protection of the first mortgage security the Chinese Government undertakes that until the Bonds shall have been redeemed, no part of the lands comprised in the mortgage security or the Railway with its appurtenances

shall be transferred or given to another party, or shall be injured, and that the rights of the first mortgage shall not be in any way impaired, unless with the consent in writing of the Corporation, which shall only be given if in the opinion of the Corporation the interests of the Bond-holders will not be affected.

And further, that until the interest and principal of the loan and all the indebtedness shall have been paid off, or unless with the express consent in writing of the Corporation, the Chinese Government or the Viceroy shall not again mortgage the above properties to another party whether Chinese or foreign.

During the period of this agreement no special taxes shall be levied by the Chinese Government on the Railway, its appurtenances, or earnings: but all taxes at present payable, such as land tax, as well as any taxes which the Chinese Government may hereafter institute, such as stamp duty, etc., and which may be applicable generally to all commercial transactions in China, shall also apply in the case of the Railway and its operations.

Article 8.—It is agreed that if the half-yearly interest on the Bonds is not paid on any due date thereof, or if the principal of the Loan be not paid in accordance with the amortisation schedule hereto attached, the whole Railway with all its appurtenances herein mortgaged to the Corporation for the Bondholders, shall be handed over to the Corporation to be dealt with by it according to law in such manner as will ensure the proper protection of the interests of the Bondholders, provided, however, that if the failure to make payment at any one date be due to causes beyond the control of the Chinese Government, and if the Viceroy request the Corporation to postpone the taking over of the Railway for a reasonable period of grace, the question shall be amicably discussed and decided between the Viceroy and the Representative of the Corporation. When the whole Loan and the interest due thereon and all the indebtedness shall have been paid off, the Railway with all its appurtenances in good working condition shall revert to the possession and management of the Chinese Government according to the provisions of this Agreement.

Article 9.—As remuneration for all services rendered by the Corporation during construction of the Railway, the Corporation shall receive the sum of £35,000 half of which shall be paid when the construction work is half completed, but not later than eighteen (18) months after commencement of construction, and the other half upon completion of the line. This amount shall be regarded as a commutation of all commissions to which the Corporation and its Agents would properly be entitled, and of payments of all services rendered in the construction and equipment of the Railway, in respect of the present Loan; but in the event of any branch lines being decided upon by the Chinese Government for construction in connection with this Railway, and if the Chinese Government decide to build the same by issue of a foreign Loan and not from its own resources, then the Corporation shall have the first option of tendering for such Loan, and a further payment, proportionate to the amount of such supplementary Loan, and calculated at the same rate as the commutation hereinabove mentioned, shall be made to the Corporation as commutation of its commission for all services in respect of construction.

In return for this commuted commission, the Viceroy is entitled to require

the Corporation to superintend the purchase of all materials required for the construction and equipment of the Railway, which shall be purchased in the open market at the lowest rate obtainable, it being understood that all such materials shall be of good and satisfactory quality. At equal rates and qualities, goods of British manufacture shall be given preference over other goods of foreign origin. Invoices and inspector's certificates are to be submitted to the Vicerory.

With a view to encouraging Chinese industries, Chinese Government and other materials are to be preferred, provided price and quality are suitable.

No commission shall be allowed to the Corporation on the purchase of materials except as above provided. All trade discounts or rebates, if any, are, during construction, to go to the construction account, and after completion, to the credit of the Railway.

ARTICLE 10.—In the construction of the line, in the working of the Railway, and in the performance of the different kinds of business connected with the Railway, no interference or obstruction by Chinese or foreigners will be permitted. The Chinese Government will provide protection for the Railway while under construction or when in operation, and all the properties of the Railway, as well as Chinese and foreigners employed thereon, are to enjoy the utmost protection from the local officials.

The Railway may maintain a force of Chinese police with Chinese officers, their wages and maintenance to be wholly defrayed as part of the cost of the construction and maintenance of the Railway. In the event of the Railway requiring further protection by the military forces of the Imperial or Provincial Governments, the same will be duly applied for by the Head office and promptly afforded, it being understood that such military forces shall be maintained at the expense of the Government or the Province.

ARTICLE 11.—All receipts and earnings of the Railway shall be regularly paid in to the Railway's account with the Hongkong and Shanghai Banking Corporation, and on such funds, whether on daily balance or on fixed deposit, the Bank's usual rate of interest shall be allowed.

All expenses of working and maintaining the line shall be paid from the receipts and earnings, and any remainder thereof shall be charged with the service of the Loan. If, after payment of these expenses, and making due provision for payment of interest at 5% per annum on the Bonds, and for repayments of principal due in accordance with the amortisation schedule hereto attached, there remain surplus funds unappropriated and properly available for other purposes, such funds shall be at the disposal of the Chinese Government to be used in such manner as the Viceroy may decide, provided always that after completion and opening of the line to traffic the amount sufficient for regular payments of interest and repayments of principal shall be deducted from such surplus funds, if any, and shall be deposited with the Hongkong and Shanghai Banking Corporation six months before the date at which such payments fall due.

In the event of there being no surplus funds available as aforesaid from the earnings of the Railway, the amount required for payments of interest and re-

payments of principal, shall be provided in accordance with the conditions of Article 14 hereinafter.

ARTICLE 12.—The Corporation are hereby appointed Trustees for the Bondholders, and in any future negotiations respecting these Loans, or matters arising in connection therewith, which may take place between the Viceroy and the Corporation, the Corporation shall be taken as representing the Bondholders, and as such, empowered to act on their behalf. In view of the fact that the Corporation's responsibility to the Bondholders continues after construction, whereas, as stated in Article 9, its commuted commission for services rendered is limited to the period of construction, and the Corporation is not thereunder entitled to any further remuneration during the period of the Loan, the Corporation shall receive as remuneration for its services and responsibility in acting as Trustees for the Bondholders, the sum of £1,000 per annum, such remuneration to commence from the date of issue of this Loan and to terminate upon its complete redemption.

ARTICLE 13.—All materials of any kind that are required for the construction and working of the Railway, whether imported from abroad or from the provinces to the scene of the work, shall be exempted from likin so long as such exemption remains in force in respect of other Chinese Railways. The Bonds of this Loan, together with their coupons and the income of the Railway, shall be free from imposts of any kind by the Government of China.

ARTICLE 14.—It is agreed that during the time of the construction of the Railway, the interest on the Bonds and on any advances made by the Corporation is to be paid from the proceeds of the Loan. The accruing interest from any proceeds of the Loan not used during the period of construction, and the earnings derived by the Chinese Government from the working of any sections of the Railway as they are built, are to be used to make up the amount required for the payment of the said interest, and if any deficiency remains it is to be met from the proceeds of the Loan.

When the construction of the Railway is wholly completed, the interest on the Bonds is to be paid, from the income or earnings of the Railway received by the Chinese Government, every half-year on the first day of June and the first day of December.

It is hereby agreed that the amount required for the payment of interest and the repayment of principal, together with a sum of one-quarter of one per cent. on such amounts, to cover commission to the Hongkong and Shanghai Banking Corporation, who are hereby appointed Agents for the entire service of repaying the Loan, shall be paid to them fourteen (14) days before the due dates in Hongkong or in Canton (at the option of the Viceroy when settling exchange) in local currency sufficient to meet such payments in sterling in London, exchange for which shall be settled with the Hongkong and Shanghai Banking Corporation, the Viceroy having the option of settling exchange at any date or dates within six (6) months previous to any due date for the repayment of interest and principal.

The Chinese Government unconditionally undertakes, and hereby promises, to pay the principal of the Loan and the interest on the Loan on the due dates

fixed therefor. If, at any time, the earnings of the Railway, together with funds available from the proceeds of the Loan, are not sufficient to meet the interest on the Bonds and the repayment of capital in accordance with the amortisation schedule hereto attached, the Viceroy shall devise means for supplying the deficiency, and should his inability to do so appear probable, he shall memorialise the Government to take measures to make up the deficiency from other sources, and thus be ready to pay off the indebtedness, so that the required amount may be placed in each case at least fourteen days previous to the due dates of such payments, in the hands of the Hongkong and Shanghai Banking Corporation.

ARTICLE 15.—The Corporation may, subject to all its obligations, transfer or delegate all or any of its rights, powers, and discretions, to its successors or assigns, but the Corporation, which is a Corporation formed under English law, shall not transfer its rights under this agreement to any other nation, or people of any other nationality, except British or Chinese. Similarly, the Chinese Government's rights and authority under this Agreement shall not be transferred to persons of other nationality.

It is further understood that the Chinese Government will not build another line competing with this Railway to its detriment.

ARTICLE 16.—The term of the Loan, as stated in Article 1, shall be thirty (30) years. Repayment of principal shall commence after the expiry of 12½ years from the date of the Loan and shall be completed in 17½ years by yearly payments to the Hongkong and Shanghai Banking Corporation as Agents for the service of the Loan, acting for the Corporation under the terms of this Agreement, in accordance with the amortisation schedule hereto attached.‡

If, at any time after the expiry of 12½ years from the date of the Loan, the Imperial Chinese Government should wish to redeem the outstanding amount of the Loan, or any portion of it, not yet due under the provisions of the amortisation schedule hereto attached, not less than six months' notice shall be given in writing by the Viceroy to the Representative of the Corporation, declaring the number of additional Bonds so required to be redeemed, whereupon the Representative of the Corporation shall immediately proceed to make such arrangements as may be necessary and usual for the redemption of the number of Bonds specified, which, when duly redeemed after payment by the Imperial Chinese Government of the proper amount due thereon, shall be cancelled and delivered to the Viceroy.

All Bonds thus redeemed, in excess of the amount specified in the amortisation schedule hereto attached, before the expiry of 25 years from the date of the Loan, shall be paid for with a premium of 2½% over their face value, (i. e. £102.10 will be required to pay for £100), but after 25 years Bonds may be redeemed over and above the amounts specified in the schedule without premium upon notice being given in the manner above specified.

As soon as the Loan has been completely redeemed, this Agreement shall become null and void and the mortgage shall be cancelled.

ARTICLE 17.—If, during construction, any proceeds of the sale of the Bonds

‡ Amortisation schedule is omitted here.

are lying unused and bearing interest on their deposit whilst the construction of the Railway is going on, such interest is to be credited to the general account of the Railway in order that the Railway may enjoy the full advantage thereof.

It is also agreed that, if the Corporation shall think it expedient before the sale of any of the Bonds to advance any money for the work, such advances, together with the interest thereon not exceeding a charge of 6% per annum, shall be deducted from the proceeds of the sale of the Bonds.

ARTICLE 18.—The junction of the sections of the Railway from Canton to the boundary of the Kowloon leased territory under British control, and from the said boundary to the port of Kowloon respectively, and the subsequent joint working of the two sections, shall be arranged by agreement between the Viceroy of Canton and the Governor of Hongkong.

ARTICLE 19.—This Agreement is signed under the authority of an Imperial Edict dated the seventh day of February, 1907, which has been officially communicated to the British Minister in Peking by the Waiwupu.

ARTICLE 20.—This Agreement is executed in quintuplicate in English and Chinese, one copy to be retained by the Viceroy, one by the Waiwupu, one by the Board of Communications, one by the British Minister, and one by the Corporation, and should any doubt arise as to the interpretation of the Agreement the English text shall be accepted as the standard.

Signed at Peking by the contracting parties this twenty-third day of the first month of the thirty-third year of the Emperor Kwang Hsü, being the seventh day of March, nineteen hundred and seven.

[Seal of Waiwupu.]

[Seal and Signature of His Excellency TANG SHAO-YI, representing the Waiwupu.]

Witnesses to signature of H. E. Tang Shao-yi.

KUNG. HU.

For the British & Chinese Corporation Ltd.

(Signed) J. O. P. BLAND.

Witnessed by:

JARDINE MATHESON & Co.

For the Hongkong & Shanghai Banking Corporation:

(Signed) H. S. GARDNER,
Agent.

Joint Agents:

THE BRITISH & CHINESE CORPORATION, LIMITED.

Note.

Further advances on account of the Canton-Kowloon Railway were arranged on June 6, 1913, in the terms of the following letter (as given in *Wang*, p. 391):

Letter of Agreement for Advances on Canton-Kowloon Railway, June 6, 1913.

The British and Chinese Corporation, Limited.

Peking, June 6th, 1913.

The Hon. Mr. Chu Chi-Chien,
Minister of Communications, Peking.

Sir,

I have the honour to inform you that the Board of Directors of the British and Chinese Corporation Limited have now consented to the proposed arrangements for advances on account of the Canton-Kowloon Railway, on the following terms and conditions.

1. The British and Chinese Corporation Limited agrees to advance to the Ministry of Communications the sum of Fifty Thousand Pounds Sterling (£50,000) to be placed to the credit of the Canton-Kowloon Railway in the Hongkong and Shanghai Bank, London. This sum will be advanced in one amount or in instalments, as the Ministry of Communications may decide, for the term of 2 years, calculated from the date of payment of the first instalment. Interest will be at the rate of 7% per annum, calculated from the date of payment of each instalment.

2. Of the aforementioned advance the sum about £35,000 will be applied to the purchase of rolling stock and other urgent requirements of the Canton-Kowloon Railway, and about £15,000 to the repayment of the Peking-Mukden Railway for rolling stock supplied to the Canton-Kowloon Railway.

3. The Ministry of Communications on behalf of the Chinese Government unconditionally accepts direct responsibility for this advance and hypothecates as security therefor the rolling stock purchased or to be purchased under Clause 2. Repayment will be made either by 4 instalments of £12,500 every six months calculated from the date of payment of the first instalment, or in one amount at the expiration of 2 years, calculated from the date of payment of the first instalment, as the Ministry of Communications may decide: payments of interest will cease as and when instalments are repaid.

4. In consideration of the above advance the British and Chinese Corporation Limited shall continue to act as purchasing agents of the Canton-Kowloon Railway for a period of five years from the date of the first instalment on the same terms and conditions as hitherto at a commission of five per cent (5%).

5. The terms and conditions of this letter of agreement will be communicated by the Ministry of Communications to the Waichiaopu for communication by them to the Minister for Great Britain in Peking.

I have the honour to request that you will be good enough to signify your acceptance and confirmation of the arrangements and conditions herein contained by affixing your signature to the statement to this effect below, retaining one copy of the letter so executed for your files and returning the other to the undersigned.

I have the honour to be, Sir,
Your obedient servant,
(*Signed*) S. F. Mayers.

(*Seal*) The British and Chinese Corporation Limited.

I hereby accept and confirm on behalf of the Ministry of Communications the arrangements and conditions herein contained.

[Chinese Signature and Seal]

NUMBER 1907/3.

JAPAN AND CHINA.

Convention regarding the Hsinmin-Mukden and Kirin-Ch'angch'un Railways. —April 15, 1907.*

Gonsuke Hayashi, Envoy Extraordinary and Minister Plenipotentiary of Japan, and Na-t'ung, Ch'u Hungchi, and Tong Shao-i, Ministers of the Imperial Chinese Board of Foreign Affairs, having been appointed thereto by their respective governments, have agreed upon the following Articles:—

I. The Chinese Government, being desirous of purchasing the Hsin-min Fu-Mukden Railway, constructed by Japan, hereby agrees that the purchase price thereof shall be Japanese Gold Yen 1,660,000, to be paid through the Yokohama Specie Bank at Tientsin.

The status of this railway shall be changed by the Chinese Government to that of the lines built by China herself, and it is agreed that one-half of the capital needed for that part of the line east of the Liao River shall be borrowed from the South Manchuria Railway Company.

II. The Chinese Government, being about to construct a railway line herself from Kirin to Changchun Fu, agrees to borrow from the aforesaid Company one-half of the capital needed for this work.

III. The conditions of the loans provided for in Articles I and II, with the exception of the periods within which they are to be repayable, shall be in all respects similar to those of the loan contracts of the Railways Inside and Outside Shan-hai Kuan. The most important conditions are mentioned below. The Regulations for the management of the railway lines shall correspond with the methods at present employed by the General Office of the Railway Lines Inside and Outside Shan-hai Kuan.

(*a*) The periods within which the loans shall be repaid shall be

for that part of the Hsin-min-Mukden Line east of the Liao River 18 years, and

for the Kirin-Changchun Line 25 years.

No repayment in full of these loans shall be allowed before the expiration of the periods named.

(*b*) The security for the loan from the South Manchuria Railway Company for that part of the Hsin-min-Mukden Line east of the Liao River shall be the real property of the aforesaid section and its earnings.

The security for the mercantile shares to be issued by the Kirin-Changchun Railway Administration as well as for the loan to be made from the South Manchuria Railway Company shall be the real property of the said Railway and its earnings.

* Translation from the Chinese text as printed in *Wang*, p. 127. Printed also in *For. Rel.*, 1907, p. 776; *Hertslet*, p. 397; *F. E. Review*, vol. XI, p. 391. See Note to this document, *post*, p. 629.

So long as these loans are not repaid by the Chinese Government, the aforesaid property and earnings of the above-named lines shall not be pledged as security for any other loan.

During the periods of these loans the Chinese Government agrees that the buildings, machinery, rolling-stock, and road-bed of the section of the Hsin-min-Mukden Railway east of the Liao River and of the Kirin-Changchun Railway shall be kept in good condition, and furthermore that such additions will be made to the rolling-stock from time to time as may be required to satisfy demands of the traffic.

If the Kirin-Changchun Line should hereafter build branch lines or an extension, the construction of such lines shall rest of right with the Chinese Government, but, if there should be a lack of capital, application shall be made to the (South Manchuria Railway) Company for an arrangement. Should China, however, appropriate funds herself for the construction of any other railway lines than those mentioned, it shall not concern the South Manchuria Railway Company.

(*c*) The loans and the interest thereon are guaranteed by the Chinese Government, and should there be any failure to make payment of interest or repayment of principal at the proper periods, the Company shall at once notify the Chinese Government, which shall pay over to the Company the amount of the shortage. If the Chinese Government, after such notification by the Company, shall be unable to make good the deficit in the payments of principal or interest, the line in question with its real property shall be handed over to the temporary control of the Company until the shortage is made good, after which it shall be returned to the control of the Railway Administration.

If, however, the shortage be for a small amount only, an extension of time shall be granted as an accommodation, but never for more than three months.

(*d*) During the periods of these loans the Engineer-in-Chief employed shall be a Japanese, and should there be an insufficient supply of Chinese for the various posts in the service of the railways, Japanese may be employed with the Chinese. If at any time it shall become necessary to change the Engineer-in-Chief, consultation must first be had with the (South Manchuria Railway) Company before appointment may be made. There shall also be appointed one Japanese accountant, who must be thoroughly qualified, and who shall have entire responsibility for the arrangement and over-sight of the various accounts of the railways, but in his supervision of receipts and expenditures he must consult and act with the Director General.

(*e*) The railways mentioned being Chinese Government lines, the latter shall have the right to transport soldiers and subsistence over either line free of charge whenever military affairs or measures of relief shall require.

(*f*) All earnings of the railways in question must be deposited in Japanese banks. As to the terms upon which such deposits shall be made, satisfactory arrangements shall be agreed upon by the parties concerned when the loan contracts are drawn up.

IV. The Chinese Government immediately after the purchase of the present Hsin-min-Mukden Railway shall enter into a contract with the South Man-

churia Railway Company for the loan in connection with that section of the line east of the Liao River, and shall also appoint and direct a Chinese engineer to consult and act with the Japanese engineer in making a survey of the Kirin-Changchun Line to furnish a basis for estimating the amount of the loan needed for the construction of the line, and within six months after the completion (of the survey) shall enter into a contract with the South Manchuria Railway Company for the loan.

V. The lines from Hsin-min to Mukden and from Kirin to Changchun under the management of China must connect with the South Manchuria Railway line. The Tientsin-Shan-hai Kuang Railway Administration and the South Manchuria Railway Company shall appoint representatives to consult together and draw up the necessary regulations.

VI. The rate at which the loans specified in Articles I and II shall be issued shall be determined fairly in accordance with the terms of the most recent loan negotiated by China with any foreign country.

VII. Within one month after the payment of the purchase price of the Hsinmin-Mukden Railway, the Chinese Railway Administration shall appoint officers to take control of the same.

Japanese Calendar, Meiji XL Year, Fourth Moon, 15 Day.

Chinese Calender, Kuanghsu XXXIII Year, Third Moon, 3 Day. (April 15, 1907.)

Note.

In connection with this convention see also the agreement for the handing over of the Hsinmin-Mukden Railway, May 27, 1907 (No. 1907/5, *post*): Supplementary Agreement for a loan for the Hsinmin-Mukden and Kirin-Changchun Railways, November 12, 1908 (No. 1908/18, *post*): detailed agreements concerning the Hsinmin-Mukden and the Kirin-Changchun Railway loans, August 18, 1909 (Nos. 1909/6 and 1909/7, *post*): also, with particular reference to the Kirin-Changchun Railway, see Article 6 of the agreement relating to Chientao, September 4, 1909 (No. 1909/10, *post*), and Article 7 of the Sino-Japanese treaty respecting South Manchuria and Eastern Inner Mongolia, May 25, 1915 (No. 1915/8, *post*), and Kirin-Changchun Railway loan agreement of October 12, 1917 (No. 1917/11, *post*).

The following is a translation from the Chinese text of an agreement for the construction of the Kirin-Changchun Railway by the Chinese Eastern Railway, which had been signed June 28/July 11, 1902:

Preliminary Agreement for Kirin-Changchun Railway, July 11, 1902.

1.—The construction and management of the Kirin-Changchun railway by the Chinese Eastern Railway Company is undertaken with the express object of encouraging the trade of the city of Kirin. Its name shall be the Kirin Branch Railway. The Regulations as to its construction are given below. The Regulations contained in the contracts entered into with the Chinese Government on the 2d. of the Eighth Moon, XXII Year of Kuanghsü, Chinese Calendar, that is August 27 (September 8), 1896, Russian Calendar [No. 1896/5, *ante*], and on the 18th of Fifth Moon, XXIV Year of Kuanghsü, Chinese Calendar, that is June 24 (July 6, 1898) [No. 1898/15, *ante*] for the construction of the main line of the Chinese Eastern Railway, and the Southern Manchuria Branch line, respectively, do not apply to the construction of this Kirin Branch line, and are not to be observed in dealing with it.

2.—For the supervision of the construction of this railway in a thorough and honest manner, there shall be established a Supervising Commission, the General Director of which shall be the Tartar General of Kirin, whose authority shall in no wise differ from that exercised by the General Director of the main line, His Excellency, Hsü, with reference to that line, and the Deputy Lieutenant General of Kirin shall be the Assistant Director.

The consulting members of the Commission shall be the Kirin Taot'ai, the Superintendent of Works, the Assistant Superintendent of Works, and the Agent empowered to act in behalf of the Superintendent of Works.

3.—Before undertaking the construction of this branch line, the Superintendent of Works shall send a deputy to survey and fix the direction of the line, and prepare a map of the same, after which the Tartar General of Kirin and the Superintendent of Works of the Chinese Eastern Railway must consult together and agree to approve. In surveying this line steps must be taken to carry it around any villages, houses, graves, or market towns.

4.—In all matters pertaining to the construction and management of this branch line efforts shall be made to adopt the best methods in the hope that there may be a constant tendency to improvement which will secure success.

To obtain the land needed for the branch line, it will be necessary to first make a map and submit the same to the Tartar General of Kirin for his approval. But the people of the province depend upon the cultivation of their lands for a living, and all lands needed for railway stations, telegraph lines, or for obtaining needed sand, rock, earth, lime, etc., must be paid for at a just estimate of their real value, based upon their quality as agricultural lands; it will not be permitted to determine prices as was done in the case of the main line.

If any of the lands referred to are public lands, no payment need be made for them, but, if they be private lands, payment must be made promptly to enable the owners to remove elsewhere.

5.—All lands needed for the road must be definitely bought at one time, after which there must be no further additions or extensions made. In the case of all lands taken for the use of this railway the Tartar General must first examine the map of the same and give his approval, and the price must be paid in full before such lands can become the property of the railway. All lands that are the property of the said Company shall be free of all land taxes. The said Company shall have sole power to control the same, as well as to construct buildings, execute other necessary works, and establish telegraph lines for the use of the railway. All regulations relating to the operation of this railway, including tariffs for goods and passengers, shall be fixed by the Chinese Eastern Railway Company, itself. All receipts of the said Company, such as the earnings of the traffic and income from the telegraphs shall be free from every sort of taxation. If any mines be opened, arrangements shall be made hereafter for dealing with them; this rule does not apply to them.

6.—All materials needed by the Chinese Eastern Railway Company for the construction and operation of this branch line shall be obtained from the shops at Harbin as needed; it will not be necessary to establish other shops at Kirin or Changchun, lest there be thus an unnecessary occupation of the people's land.

7.—With regard to this branch line, it is hereby distinctly agreed that at the expiration of 36 years from the date of the signing of this contract the Chinese Government shall have the right to buy back the railway by the payment of the original capital stock plus the debts incurred on account of construction and the interest thereon. All surplus earnings of the said Company after payment of dividends to share-holders shall be deposited in a sinking fund for the repayment of the capital stock, and shall be deducted from the amount to be paid for re-purchase. If at the expiration of the 36 years' period China shall not desire to re-purchase the railway, this agreement shall be continued for 44 years longer, at the expiration of which time the Chinese Eastern Railway Company must in accordance with the terms of this contract return to China without payment this branch line with all its railway stations and all public property.

8.—When the Kirin branch line is reported completed the Chinese Eastern Railway Company must carry all official despatches for the Chinese Government free of charge. Chinese soldiers in pursuit of robbers and all arms and ammunition as well as the soldiers' pay shall be transported at half rates.

9.—Any Chinese subjects living within the boundaries of the railway property who may be guilty of any offence light or serious must be tried by the nearest deputy of the Bureau of Railway Affairs. Any Chinese subjects arrested by the Russian police for violation of Regulations or offense against the Law must be at once delivered to the Deputy of the General Bureau of Railway Affairs for custody and trial, and must not be detained (by the said police).

10.—All duties leviable upon Chinese or foreign goods transported by the Kirin Branch Railway must be dealt with in accordance with Regulations to be hereafter established by the Chinese Government. These Regulations shall be determined by the Chinese Board of Foreign Affairs and the Chinese Board of Revenue in consultation with the Russian Minister at Peking.

11.—All such materials as sand, rock, lime, and earth needed by this Railway shall be free of all customs and likin taxes, and all lumber shall pay a tax of ten per cent. of its value according to the Chinese Regulations. Immediately upon the transportation of the lumber to the Western Lumber Customs Station this duty shall the same day be paid in full.

12.—Chinese subjects shall have exactly the same rights and privileges as Russians for trading within the limits of the lands taken by the Railway; no disinction shall be made.

13.—On the day of the approval of this agreement at Peking the Chinese Eastern Railway Company shall deliver to the Tartar General of Kirin 350,000 Roubles, Russian Currency.

14.—This agreement for the Kirin Branch Railway is a special arrangement, and it shall not be cited hereafter as a precedent for the construction of other branch lines no matter where.

15.—The Chinese Eastern Railway Company shall make every effort to employ native laborers for the construction of this Branch Railway, and the local authorities shall exert themselves to the utmost to assist in securing such laborers.

16.—After the parties to this agreement shall have signed the same, it shall not go into effect until it shall have been first approved by the Ministers of the Chinese Board of Foreign Affairs and the Russian Minister of Finance, Mr. Witte; and not until then may Mr. Te (Daniel), the Superintendent of Construction, begin the work of building this line.

Kuanghsü XXVIII, Sixth Moon, 7th Day (July 11th, 1902, New Style).

NUMBER 1907/4.

RUSSIA (Chinese Eastern Railway Company) AND CHINA.

Agreement for the transfer to China of the telegraph lines in Manchuria outside the Chinese Eastern Railway territory.—May 23, 1907.*

PEKING, *23rd May, 1907.*

The Director General of the Imperial Chinese Telegraph Administration, Peking.

I have the honor to acknowledge receipt of your letter of the 21st inst.† and beg to confirm the agreement regarding the transfer to China of the telegraph lines in Manchuria outside the Railway territory, viz.:

The Chinese Eastern Railway Administration will without delay cede to the Imperial Chinese Telegraph Administration the telegraph lines and material specified below, viz.:

1. Tsitsikar city to Helampo.
2. Tsitsikar city to Railway station.
3. Harbin to Mihailo-Semenovsk—two wires with all instruments, batteries and material found at the stations on this line.
4. Hailin Railway station to Ninguta.
5. Tao-lai-chao to Kirin—two wires.
6. Tao-lai-chao to Potune.
7. Tao-lai-chao to Ukashu-Kuanchengtsu.
8. Kuanchengtsu Railway station to city.
9. Hailar Railway station to city and
10. All telegraph material still in existence of the Kirin-Omoso-Ninguta line and the projected Omoso-Titaso line.

* Text as printed in *Soglashenia*, p. 53.

In connection with this agreement, see also that of October 7, 1907 (No. 1907/17, *post*).

† This letter is not here printed, being reproduced in full in the reply except for the following introductory paragraph:

"Having arrived at an understanding with the Russian Government regarding the transfer to China of the telegraph lines in Manchuria outside the railway territory and having been informed by H. E. Russian Minister that this matter has to be finally settled with the Chinese Eastern Railway Administration we should feel greatly obliged if you would be good enough to confirm the following agreement," etc.

It is further understood that whatever spare material, which may be found along the above mentioned lines, will belong to the Chinese Telegraph Administration.

In consideration for which the Imperial Chinese Telegraph Administration undertakes to pay the Chinese Eastern Railway Administration in Peking on or before the first day of September 1907 the sum of $120,000.00 (Mexican Dollars one hundred and twenty thousand).

The Chinese Eastern Railway Administration at Harbin has been advised of the conclusion of the above agreement and instructed to hand over the lines and materials mentioned therein to the Representative of the Imperial Chinese Telegraph Administration.

Yours faithfully,

(Signed) J. CHESHEV,

Representative of the Chinese Eastern Railway Administration.

NUMBER 1907/5.

JAPAN (South Manchuria Railway Company) AND CHINA.

Agreement for the handing over by Japan of the Mukden-Hsinmint'un Railway, together with the rolling-stock and equipment.—May 27, 1907.*

Chou Ch'ang-ling, Expectant Taotai, Second Grade Button, Director-General of the Railway Administration Inside and Outside Shanhaikwan, and

" Chiu-Pao-T'ien-Cheng-Chou," Director-General of the South Manchuria Railway,

having been duly empowered, have agreed upon the following articles relating to the handing over of the Mukden-Hsinmint'un Railway, together with locomotives, rolling-stock and materials.

The parties named, having assured each other of being fully empowered by their respective Governments, have drawn up an agreement, in accordance with the following articles, for the purpose of handing over to the Chinese Railway Administration the railway between Mukden and Hsinmint'un, together with all equipment in the neighborhood of the line, rolling-stock, and materials.

Two copies have been drawn up in Chinese and two in Japanese.

ARTICLE 1.—The articles to be handed over to the Chinese Government are as stated in the attached list.

ARTICLE 2.—The date of handing over is fixed as the 40th year of Meiji,

* Translation from the Chinese text as printed in *Wang*, p. 131.

In connection with this agreement see also the Sino-Japanese conventions regarding the Hsinmin-Mukden and Kirin-Changchun Railways, April 15, 1907 (No. 1907/3, *ante*): Supplementary Agreement for a loan for the Hsinmin-Mukden and Kirin-Changchun Railways, November 12, 1908 (No. 1908/18, *post*): Detailed Agreement concerning the Hsinmin-Mukden Railway Loan, August 18, 1909 (No. 1909/6, *post*).

6th month 1st day, or the 33rd year of Kuanghsü, 4th moon, 21st day (June 1, 1907). All funds received, together with all matters relating to train traffic, will pass under the charge of the Chinese Railway Administration. Before the road is handed over they will remain under the charge of the South Manchuria Railway Company.

ARTICLE 3.—All officials and employees now belonging to the road will be temporarily borrowed of the South Manchuria Railway Company during a period of seven days, beginning from the date of the handing over of the road, until the Chinese Railway Administration can appoint substitutes therefor. Salaries and expenses during the said period of seven days will be defrayed by the South Manchuria Railway Company, in order to facilitate the handing over of the road, and as an expression of friendship.

ARTICLE 4.—A list of the names of the officials and employees on the road is now handed to the Chinese deputy. If the Chinese Railway Administration wishes to continue their services, the South Manchuria Railway Company will give heed to the wishes of the individuals.

ARTICLE 5.—After the road has been handed over, if not within the period for the alteration of the line, the matter of train traffic and the appointment of officers by each party will be taken up and settled, that cooperation may be facilitated.

ARTICLE 6.—Besides the articles to be handed over, referred to in Article 1, if not within the period for the alteration of the line, the materials collected for the repair of rolling-stock and rails will be given to the Chinese Railway Administration in accordance with a list drawn up by the South Manchuria Railway Company, to be handed over as they now stand.

ARTICLE 7.—Besides the articles referred to in the preceding article, if there should be any important articles required by the Chinese Railway Administration, they will be handed over at a just price, providing the South Manchuria Railway Company does not suffer inconvenience thereby.

ARTICLE 8.—Besides the rolling-stock and materials to be handed over, referred to in Article 1, if not within the period for the alteration of the line, such articles as are urgently needed by the Chinese Railway Administration will be loaned to it at a just rental, providing the South Manchuria Railway Company suffers no great inconvenience thereby.

ARTICLE 9.—If not within the period for the alteration of the line, coal and water required by the Chinese Railway Administration will be supplied at a just price, providing the South Manchuria Railway Company suffers no great inconvenience thereby.

ARTICLE 10.—After the road has been handed over, articles to be removed to the South Manchuria Railway Company, not included among those to be handed over, together with the caretakers thereof, will be transported from Hsinmint'un to the South Manchuria Railway by the Chinese Railway Administration free of charge. Officials and employees of the said company, together with their families and household effects, will receive similar treatment within a period of six months, at the expiration of which the right cannot be availed of.

ARTICLE 11.—Important matters which may arise in the future, in addition to

those mentioned in these articles, will be taken up and settled by mutual conference.

Kuanghsü, 33rd year, 4th moon, 16th day:
Meiji, 40th year, 5th moon, 27th day:
(May 27th, 1907).

CHOU CH'ANG-LING,
Expectant Taotai, Second Grade Button, Director-General of the Railway Administration Inside and Outside Shanhaikwan.
"CHIU-PAO-T'IEN-CHENG-CHOU,"
Director-General of the South Manchuria Railway.

NUMBER 1907/6.

JAPAN AND CHINA.

Agreement for the establishment of a maritime customs office at Dairen, and for inland waters steam navigation.—May 30, 1907.*

The Governments of Japan and China having agreed to the establishment of an office of the Chinese Imperial Maritime Customs at Dairen, the undersigned duly authorized by their respective Governments hereby engage to accept for the general guidance of that office, and as a preliminary and provisional measure, the detailed understanding set forth in the documents hereto attached, viz.,

(A) Agreement about the establishment of a Maritime Customs Office at Dairen, and

(B) Inland Waters steam Navigation.

And it is further agreed that in the spring of next year after the experience of one season there shall be a reconsideration of the present arrangement in order to fuller accord with local conditions and needs and that for the documents now accepted there shall be substituted a revised agreement supplemented by an Ordinance, the former to be prepared by the Japanese Minister and the Inspector General of Customs and the latter by the Japanese Authorities of the leased territory in communication with the Commissioner of Customs at Dairen. And it is further understood that the Japanese Authorities will take steps to prevent smuggling from the leased territory into China and support the Chinese Authorities in the measures they adopt to prevent smuggling from China into the leased territory, and also that a suitable procedure shall be arranged for dealing with railway traffic at the Dairen terminus and the frontier station (Wa Fang Tien or

* Official English text as printed in *Customs*, vol. II, p. 740. Printed also in *Traités et Conventions*, 204; *For. Rel.*, 1907, p. 133. See Note to this document, *post*, p. 638.

other) and temporary regulations be made for collection of duties by the Customs. (Signed) G. HAYASHI. (Seal.)
Minister of Japan.
(Signed) ROBERT HART. (Seal.)
Inspector General of Customs.

Signed and sealed at Peking the 30th May, 1907.

A.

AGREEMENT ABOUT THE ESTABLISHMENT OF A MARITIME CUSTOMS OFFICE AT DAIREN.

1. The Commissioner or the Chief of the Maritime customs Office at Dairen is to be of Japanese nationality. The Inspector General of Customs will come to an understanding with the Japanese Legation at Peking in case of appointing a new Commissioner.

2. The members of the staff of the Maritime Customs Office at Dairen shall, as a rule, be of Japanese nationality; in case, however, of a suddenly occurring vacancy or of temporary requirements of the Service, members of other nationalities may be provisionally sent to Dairen.

3. The Inspector General of Maritime Customs will inform the Governor General of the leased territory beforehand about the change of the Commissioner of Customs at Dairen.

4. All correspondence between the Customs Office at Dairen and the Japanese authorities and Japanese merchants shall be conducted in the Japanese language. Should, however, merchants of other nationality come to reside at Dairen, they shall be at liberty to correspond in English or in Chinese.

5. On merchandise brought by sea to Dairen no Import Duty shall be levied. Import Duty according to existing Treaties shall be levied by the Maritime Customs Office on all merchandise or products passing the Japanese frontier of the leased territory into the interior of China. The Japanese authorities agree to take suitable measures to assist as far as it is possible in the prevention of merchandise passing the Japanese frontier when not provided with a Permit or Pass by the Maritime Customs Office.

6. When Chinese merchandise or products brought from the interior of China into the Japanese leased territory are shipped from Dairen to other places, they will pay the Export Duty according to existing Treaties. Produce raised in, and merchandise manufactured from produce raised in or imported by sea into, the Japanese leased territory shall pay no Export Duty. The Duty to be paid by articles manufactured in the Japanese leased territory from materials brought there from the interior of China will be the same as at present paid by articles in similar circumstances in the German leased territory of Kiaochow.

7. Chinese merchandise or products brought from Chinese Treaty ports to Dairen shall pay no Duty as long as they remain inside Japanese territory; but if these Chinese merchandise or products pass the Japanese frontier into the interior of China, they shall pay according to existing Treaties.

8. Chinese merchandise shipped from Dairen, and having paid accordingly Export Duty, shall be provided with a receipt, on the producing of which it shall

pay, on being landed at a Chinese Treaty port, a Coast Trade Duty according to existing Treaties.

9. For Japanese and other non-Chinese merchandise, on being shipped to Dairen from a Chinese Treaty port, the Import Duty paid at the latter port shall be refunded by Drawback according to treaty stipulations. On being imported to Dairen such merchandise shall pay no Duty, so long as it does not pass the Japanese frontier into the interior of China. On being re-exported from Dairen to other places outside China, such merchandise shall pay no Export Duty.

10. Chinese merchandise or products having been shipped from a Chinese Treaty port to Dairen and reshipped from there to places outside China shall on this occasion pay no Export Duty, in case that documentary evidence is produced of their having paid Export Duty at the Treaty port from which they came.

11. The Maritime Customs Office at Dairen shall take no part in the collection or administration of Tonnage Dues, Lighthouse Dues, or Port Dues.

12. The Customs Tariff in vigour in the Chinese Treaty ports shall be applied likewise by the Maritime Customs Office at Dairen.

13. The Japanese Government agree to set apart for the Maritime Customs Office sufficient space at Dairen for building offices, lodgings for the staff, with suitable room for garden, stables, and servants' quarters. The amount to be paid for the sale or lease of such ground is to be settled locally by mutual agreement.

14. The Chief of the Customs Office and the members of the staff shall be free from any obligation to act as jurors or assessors or from any other personal services.

15. The aforesaid Maritime Customs Office at Dairen shall be charged likewise exclusively with the granting and issuing of Transit Passes for merchandise going into the interior of China, as well as for merchandise coming from the interior of China to Dairen; and this Office will be charged as well with all and every function, right, or capacity which appertain in the Treaty ports to the so-called Chinese Customs Taotai.

16. For the Transit Passes mentioned in Article 15 the Duty according to existing Treaties—i. e., half of the amount of the Export or Import Duties—shall be collected by the Maritime Customs Office at Dairen.

17. The procedure to be observed in case of frauds or contraventions committed by merchants against the Maritime Customs rules shall be settled hereafter by a separate Agreement, but it is understood in principle that all judicial procedure rests with the Japanese tribunals.

18. In view of the possibility that with the development of commercial activity in the Japanese leased territory new requirements may arise which are not to be foreseen, it is understood that the present Agreement bears a provisional character, and that both parties to it agree to introduce amendments as soon as required for the purpose of remedying inconveniences which may arise in the practical execution of this Agreement.

(Seal) G. HAYASHI,
Minister of Japan.

(Seal) ROBERT HART,
Inspector General of Customs.

Signed and sealed at Peking, the 30th May, 1907.

B.

Inland Water Steam Navigation.

1. The Chinese Maritime Customs having been formally authorised to function in Dairen are now empowered to issue inland steam navigation papers: steamers thus permitted to ply on the inland waters are to be guided generally by the rules and regulations of July and September 1898 and the additional rules of October 1903, but more especially by the regulations herebelow set forth.

2. Steamers about to ply in the inland waters are required to deposit their national papers, Foreign or Native, with the Customs, and will receive in exchange, on written application, the Inland Waters Certificate; such Certificates are valid for one year, and a fee of Tls. 10 is payable on first issue and Tls. 2 for each annual renewal. Tonnage Dues are payable once every four months.

3. Such certificated steamers may ply according to regulations (1) from Dairen to a place or places inland and back, and (2) from Dairen to a place inland, thence to a Treaty port, thence to a place inland, and thence back to Dairen. On making due report to the local Customs or Tax Office, and paying local Dues or Duties, they may land or ship cargo or passengers at any recognised places of trade passed on the voyage, but they may not ply between inland places exclusively without special authority. If visiting another treaty port on any such inland voyage, the Customs at such port are to be duly reported to and all port regulations, national and native, complied with.

4. Whenever certificated steamers quit or return to Dairen, they are to clear from and report to the Dairen Customs, handing in Outward and Inward Manifests of cargo, reporting places to be called at or called at (*sic.*), and paying the prescribed Duties. Opium and contraband goods are not to be carried inward or outward: if carried, the goods are confiscable and the vessel subject to a fine of $500, a second offence entailing withdrawal of Inland Waters Certificate and privileges.

5. The Japanese authorities will assist the Dairen Customs to suppress smuggling—more especially the smuggling of Opium and contraband.

6. The transmission of Chinese closed mails between Dairen and inland ports shall be free of charge and the postal Administrations concerned will arrange a fitting procedure for the transmission of such Chinese closed mails through the Japanese leased territory from and to Chinese post offices outside that territory.

7. The application of the Inland Waters Steam Navigation understanding will be restricted to steamers which ply on inland waters not inside the area of the Japanese leased territory.

(Seal) G. Hayashi,
Minister of Japan.

(Seal) Robert Hart,
Inspector General of Customs.

Signed and sealed at Peking the 30th May, 1907.

Note.

The customs house at Dairen was opened on July 1, 1907. It is understood that no revision of this agreement has been made as contemplated.

Provisional customs regulations for the leased territory of Kwantung were enacted by an ordinance of the Government-General of Kwantung under date of June 26, 1907. The following is a translation from the Japanese text, embodying certain subsequent amendments:

Provisional Customs Regulations for Kwantung Leased Territory, June 26, 1907.

1.—Foreign goods imported from a foreign country or goods manufactured therefrom must pay import duty, if sent to the interior.

Foreign goods imported from a Chinese treaty port, unaccompanied by duty paid certificate, must pay import duty, if sent to the interior.

Foreign goods imported from a Chinese treaty port and accompanied by duty paid certificate, are entitled to drawback at the port of duty payment, when they have been consumed in, or reexported from, the leased territory.

2.—Native goods coming from a Chinese treaty port, and accompanied by duty paid certificate, must pay coast trade duty, if sent to the interior.

2a.—Produce raised in the leased territory, or goods manufactured therefrom, shall pay import duty on being sent to the interior.

[Article *2a,* when introduced by Ordinance No. 42 of 1907, contained the additional sentences, "But the sender of such goods can choose not to pay import duty. In the latter case, the goods thus sent will be treated in the same way as Chinese produce." These two sentences were cancelled by Ordinance No. 26, of 1910.]

3.—Native produce imported from a Chinese treaty port, unaccompanied by duty paid certificate, must pay import duty on deposit, pending inquiry with the custom house of the port concerned, and is liable to confiscation together with the deposit, if any unlawful action be committeed in connection therewith.

4.—Native produce brought down by land to the leased territory must pay export duty, if exported.

5.—Produce raised in the leased territory, and goods manufactured therefrom or from the materials imported from a foreign country shall pay no export duty if accompanied by certificate of origin issued by the Japanese authorities.

6.—Goods manufactured from materials brought from the interior or from a Chinese port by sea, shall pay export duty on exportation. But it is optional with the shipper to pay duty on the material or on the manufactured article.

7.—Foreign goods on which import duty, or, native goods on which export duty, has been levied at a Chinese treaty port, shall pay no export duty when reexported from Dairen.

8.—Goods transported from or to the interior under the transit regulations shall pay transit dues in addition to export or import duty.

9.—Opium coming to the leased territory, whether by sea or land, must be reported to the customs immediately upon arrival.

10.—Opium going to the interior must pay import duty and likin. This, however, does not apply to foreign or native opium imported from a Chinese treaty port, accompanied by duty paid certificate or bearing Hupu labels.

11.—All opium going to the interior, whether dutiable or not, must be declared to the customs, and labelled and stamped.

12.—Native opium coming from the interior or from a Chinese treaty port, unaccompanied by duty paid certificate or not bearing Hupu labels, shall be charged with Tung-shui.

13.—Arms, ammunition, explosives, and materials used in the manufacture of the same, shall be unloaded or landed only after the receipt of a customs permit.

14.—The transportation to the interior, or the exportation to a Chinese port, of arms, ammunition, explosives, and materials used in the manufacture of the same, is prohibited unless they are accompanied by Hu-chao issued by the Chinese authorities.

15.—The two preceding rules do not apply to arms, ammunition, etc., for the use of the Japanese army, navy, and police force.

16.—Upon a ship's arrival, the master of the vessel or his agent shall hand in without delay to the customs the ship's papers or consular report, and import manifest. The manifest must contain the name and flag of the vessel, the port of shipment as well as the destination of the cargo, marks and numbers, number of packages, quantity, weight in tons, and names of consignees, and be signed by the master of the vessel or his agent.

When the quantity of the cargo destined for the interior is large enough to be treated as independent cargo, the master of the vessel or his agent should prepare two manifests—one for the cargo destined for the interior and another for the leased territory.

The import manifest may only be amended within twenty-four hours of its being handed in to the customs.

17.—Consignees of import cargo, whether for the interior or for the leased territory, shall hand in to the customs an "import statement," giving the name and flag of the

importing vessel, the places of purchase and of production or manufacture of the goods, marks and numbers, description of the articles, number of packages, quantity, and value.

18.—When a vessel wants to clear, an export manifest signed by the master of the vessel or his agent must be handed in to the customs at least two hours previous to the application for her clearance. The items to be entered in the export manifest are the same as those in the import manifest.

19.—When goods are to be exported the shipper must hand in to the customs an export application, and goods must undergo customs examination.

After examination of the goods, the applicant shall pay to the customs bank the amount of duty as stated in the duty memorandum issued by the customs. Upon production of the duty receipt at the office, the shipping permit will be issued.

20.—The clearance permit is issued only after all dues and duties have been paid.

21.—When cargo, for which a shipping permit had been issued, can not be received on board, the fact must be reported without delay to the customs. A shut-out memorandum will then be issued to the shipper.

22.—Transhipment of goods can not take place without permission from the customs. If goods are transhipped without permit, they are liable to confiscation and the master of the vessel to a fine.

22*a*.—Transhipment of goods can not take place unless the goods correspond to the particulars given in the manifest and the packages remain intact.

[Introduced by Ordinance No. 38 of 1907.]

23.—The tariffs in use in the customs are:

No. 1. (1) For foreign imports: the Revised Import Tariff of 1902.
(2) For native imports and exports: the old general tariff for the trade of China.

No. 2. In case special tariffs are to be adopted for goods exported or imported by junk, a separate notification shall be issued.

[Added by Ordinance No. 27 of October 13, 1914.]

24.—In cases of appeal against fines and confiscation ordered by the Commissioner of Customs, the procedure followed will be in accordance with the spirit of the "Rules for Joint Investigation in Cases of Confiscation and Fine by the Custom House Authorities, Peking, 31 May, 1868."

25.—The custom house is open for transaction of business from 9 a.m. to 4 p.m., Sundays and holidays excepted.

Examination offices will be open from 8 a.m. to 4 p.m.

26.—Loading or discharging cargo before 6 o'clock a.m. and after 6 o'clock p.m., or Sundays or holidays is not allowed unless a special permit is obtained from the customs. This, however, does not apply to passengers' baggage or mail matter. The fees on such permit are:

For working before 6 a.m.	H.K. Tls.	10
" " from 6 p.m. to 12 p.m.	" "	10
" " from 6 p.m. to 6 a.m. next day	" "	20
" Sunday (whole day)	" "	40
" " (half day)	" "	20
" holiday (whole day)	" "	40
" " (half day)	" "	20

26*a*.—The rate of exchange between the Haikwan Tael and the amount in currency to be paid to the Dairen customs shall be based on the Newchwang quotation.

[Introduced by Ordinance No. 42 of 1907.]

27.—All business communications relating to customs matters should be addressed to the Commissioner of Customs.

ADDITIONAL RULE.

28.—The term "interior" in the present regulations means any part of Chinese territory beyond the frontier of the leased territory.

[It is understood that this rule has been construed to include the treaty ports within the meaning of "interior."]

NUMBER 1907/7.

FRANCE AND JAPAN.

Agreement in regard to the continent of Asia.—June 10, 1907.*

The Government of His Majesty the Emperor of Japan and the Government of the French Republic, animated by the desire to strengthen the relations of amity existing between them, and to remove from those relations all cause of misunderstanding for the future, have decided to conclude the following Agreement:

"The Governments of Japan and France, being agreed to respect the independence and integrity of China, as well as the principle of equal treatment in that country for the commerce and subjects or citizens (i.e., *ressortissants*) of all nations, and having a special interest in having order and a pacific state of things guaranteed especially in the regions of the Chinese Empire adjacent to the territories where they have the rights of sovereignty, protection or occupation, engage to support each other for assuring the peace and security in those regions, with a view to maintaining the respective situation and the territorial rights of the two Contracting Parties in the Continent of Asia."

In witness whereof, the Undersigned: His Excellency Monsieur Kurino, Ambassador Extraordinary and Plenipotentiary of His Majesty the Emperor of Japan to the President of the French Republic, and His Excellency Monsieur Stephen Pichon, Senator, Minister for Foreign Affairs, authorized by their respective Governments, have signed this Agreement and have affixed thereto their seals.

Done at Paris, the 10th of June 1907.

(L. S.) S. KURINO.
(L. S.) S. PICHON.

* Translation from the French text as printed in *Traités et Conventions,* p. 376. Printed also in *For. Rel.,* 1907, p. 754; *Am. Int. Law Journal, Supplement,* 1910, p. 313; *Hertslet,* p. 618.

Simultaneously with the conclusion of this agreement was signed a declaration of which the following is the translation:

Declaration regarding mutual most-favored-nation Treatment as between Japan and French Indo-China, June 10, 1907.

The two Governments of Japan and France, while reserving the negotiations for the conclusion of a Convention of Commerce in regard to the relations between Japan and French Indo-China, agree as follows:

The treatment of the most favoured nation shall be accorded to the officers and subjects of Japan in French Indo-China in all that concerns their persons and the protection of their property, and the same treatment shall be applied to the subjects and protégés of French Indo-China in the Empire of Japan, until the expiration of the Treaty of Commerce and Navigation signed between Japan and France on the 4th of August, 1896.

Paris, the 10th of June, 1907.

(L. S.) S. KURINO.
(L. S.) S. PICHON.

NUMBER 1907/8.

DENMARK AND THE UNITED STATES.

Exchange of notes in regard to the reciprocal protection of trademarks in China.—June 12, 1907.*

MR. BRUN TO MR. ROOT.

[Translation.]

LEGATION OF DENMARK,
Washington, D. C., March 19, 1907.

MR. SECRETARY OF STATE: By order of my Government I have the honor to beg that Your Excellency will kindly let me know whether the Government of the United States would be disposed to conclude an arrangement with the Government of the King for the reciprocal protection in China of the trade-marks of the citizens of our two countries when the said trade-marks are duly registered in the country of the infringer.

Should the Government of the United States be disposed to conclude such an arrangement, the King's Government would take the necessary measures to have Danish subjects who would infringe in China an American trade-mark duly registered in Denmark, brought before the Danish Consular Court at Shanghai and eventually punished in accordance with the provisions of the law of Denmark.

The Government of the King would expect the Government of the United States to take similar measures in regard to American citizens who might violate in China the privilege of a Danish subject whose trade-mark is duly registered in the United States.

I am authorized to add that my Government would be very glad if such an arrangement could be effected by means of an exchange of notes between Your Excellency and me.

Hoping that Your Excellency will see no objection to assenting to this proposal of my Government, I beg you to accept, Mr. Secretary of State, the renewed assurance of my high consideration.

C. BRUN.

MR. ROOT TO MR. BRUN.

No. 671.] DEPARTMENT OF STATE,
Washington, March 25, 1907.

SIR: I have the honor to acknowledge the receipt of your note of the 19th instant, in which, by order of your Government, you inquire whether the Government of the United States would be disposed to conclude with that of Denmark

* Texts (and translations) as printed in *Malloy*, p. 399.

an arrangement by an exchange of notes for the reciprocal protection in China of trade-marks of the citizens of either country from infringement by citizens of the other when the said trade-marks are duly registered in the country of the infringer.

By this agreement Danish subjects infringing in China an American trade-mark duly registered in Denmark would, you state, be brought before the Danish Consular Court at Shanghai and eventually punished in accordance with the provisions of the law of Denmark, and the Government of the King would expect the Government of the United States to take similar measure in regard to American citizens who might violate in China the privilege of a Danish subject whose trade-mark is duly registered in the United States.

The agreement proposed by your Government is in line with the agreements which have been effected by exchange of notes between the Minister of the United States at Peking and the diplomatic representatives there of certain other countries.

It is to be pointed out, however, that in view of the fact that there is no statute in the United States making the infringement—counterfeiting, etc., of a trade-mark—a criminal offense, and that effectual provision exists by a civil action for damages by the owner of a trade-mark, the word "punishment" is to be understood, with respect to the United States, to refer to a civil action only and not to a criminal procedure.

If this explanation, which has been made in the case of each of the agreements mentioned above, is satisfactory to your Government, I shall be pleased to make the exchange of notes with you.

Accept, Mr. Minister, the renewed assurances of my highest consideration.

ELIHU ROOT.

MR. CLAN TO MR. ROOT.

[Translation.]

DANISH LEGATION,
May 27, 1907.

MR. SECRETARY OF STATE: Referring to note No. 671, which Your Excellency had the kindness to address to the legation on March 25 last, I have the honor, by order of my Government, to inform you that the necessary instructions have been sent to the Danish consul at Shanghai (the consular headquarters for the whole of China) in order to authorize him to protect American trade-marks, duly deposited in Denmark, against violations by Danish subjects in China, to the same extent as Danish marks of the same nature are protected.

The law which the Danish court at Shanghai is called upon to enforce in the premises is the Danish law of April 11, 1890, amended by the law of December 19, 1898, and the ordinances of September 28, 1894, and September 12, 1902.

Hoping to receive a note informing me that the diplomatic and consular officers of the United States in the Middle Kingdom have had the necessary instructions sent to them in order to insure reciprocity by granting the protection of the United States Consular Courts in China to Danish subjects against Ameri-

can citizens who have counterfeited Danish trade-marks regularly deposited in the United States, I beg of you, Mr. Secretary of State, to accept the renewed assurance of my highest consideration.

J. Clan.

Mr. Root to Mr. Clan.

No. 694.] Department of State,
Washington, June 12, 1907.

Sir: I have the honor to acknowledge the receipt of your note of the 27th ultimo by which you inform me that in pursuance of the understanding reached by the correspondence which passed between the Danish legation and the Department of State on March 19 and 25, 1907, the necessary instructions have been sent to the Danish consul at Shanghai (the consular headquarters for the whole of China) in order to authorize him to protect American trade-marks, duly deposited in Denmark, against violations by Danish subjects in China, to the same extent as Danish marks of the nature are protected.

As a completion of the exchange of notes to give the said understanding effect, I have the honor to inform you that, on the part of the United States, the Minister of the United States at Peking has this day been instructed to inform the consular officers of the United States in China that hereafter trade-marks of Danish subjects, which have been duly registered in the United States, are to be protected against infringement by such persons as come under the jurisdiction of the United States Consular Courts in China.

Accept, sir, the renewed assurances of my high consideration.

Elihu Root.

NUMBER 1907/9.

JAPAN AND RUSSIA.

Provisional convention (with additional articles and protocol) concerning the junction of the Japanese and Russian Railways in Manchuria.—June 13, 1907.*

The Imperial Government of Japan and the Imperial Government of Russia, having resolved to conclude a Convention concerning the connexion of the Japanese and the Russian Railways in Manchuria, in conformity with the provisions of Article VIII of the Treaty of Peace signed at Portsmouth on Sep-

* Translations from French text as printed in *Traités et Conventions*, 577. French texts printed also in the Russian Yellow-Book, *Négociations entre la Russie et le Japon relatives à la Division de la Station de Kouan-tchen-tsy et à la Conclusion d'une Convention Provisoire concernant le Service de Raccordement des Chemins de Fer Russes et Japonais en Manchourie, 1906-07* (St. Petersburg; 1907); *Hertslet*, 1199.

tember 5 (August 23, o.s.), 1905, the undersigned, Itchiro Motono, Docteur en Droit, Envoy Extraordinary and Minister Plenipotentiary of Japan, and le Maitre de la Cour Imperiale Alexandre Iswolsky, Minister of Foreign Affairs of Russia, being duly authorized for the purpose by their respective Governments, have mutually agreed upon the following articles, provisionally.

Regarding those provisions of this convention which concern the South Manchuria Railway Company on the one part and the Chinese Eastern Railway Company on the other, the two Governments engage mutually to take necessary measures to ensure their prompt execution by the said Companies.

ARTICLE I.—The junction of the sections of the two railways will be made at the boundary line of the Kuanchengtze station of the Chinese Eastern Railway. The South Manchuria Railway Company shall prolong its line with the gauge adopted by that Company from the Changchun station of the said Company to the limit of the Kuanchengtze station of the Chinese Eastern Railway, and the Chinese Eastern Railway shall construct a line of the same gauge in continuation of the prolongation of the Japanese line constructed by the South Manchuria Railway to the platform of the Russian Kuanchengtze station. The Chinese Eastern Railway shall construct in prolongation of its line, a railway of the gauge of 1 meter 524 (Russian gauge of 5 English feet) from the platform of the Russian Kuanchengtze station to the limit of that station, and the South Manchuria Railway Company shall construct a line of the same gauge in continuation of the prolongation of the Russian railway constructed by the Chinese Eastern Railway Company to the platform of the Japanese Changchun station.

The point of junction of the two sections of the Japanese and Russian railways and the plans of that junction shall be resolved upon in common accord between the two companies.

ARTICLE II.—The South Manchuria Railway Company as well as the Chinese Eastern Railway Company shall establish, besides the junction of their lines, direct communication for passengers and for merchandise, and also all the necessary installations, in order to effect in the shortest time and with the least expense possible, the transhipment of merchandise at the terminal stations, made necessary by the difference in the width of the gauges.

Each Company reserves the right to decide on the plans of construction within the limits of its own ground.

ARTICLE III.—Each Company assumes responsibility for all the undertakings mentioned in Articles I and II of the present convention, as incumbent on them respectively, and these undertakings shall be executed by the companies with the least possible delay and as far as possible simultaneously.

ARTICLE IV.—The maintenance of the tracks, of the installations for despatch and transhipment and all the other appurtenances upon the ground of each railway shall respectively be taken charge of by the companies.

ARTICLE V.—The traffic between the South Manchuria Railway and the Chinese Eastern Railway shall be established in conformity with the following conditions:

The passenger trains of the South Manchuria Railway, with the passengers, their baggage and other objects transported by those trains proceed on the

Japanese track to the Russian station of Kuanchengtze, and the passenger trains of the Chinese Eastern Railway, with the passengers, their baggage and other objects transported by those trains proceed on the Russian track to the Japanese station of Changchun.

The trains of the South Manchuria Railway with freight for the Chinese Eastern line come on the Japanese track to the Russian station of Kuanchengtze, where the delivery and transhipment of the merchandise to the Russian railway are effected, and the trains of the Chinese Eastern Railway with freight for the South Manchuria line come by the Russian track to the Japanese station of Changchun, where the delivery and transhipment of the merchandise to the Japanese railway are effected.

ARTICLE VI.—The time schedule for the movement of trains, with a view to the connexion of the two railways, shall be arranged in common by the managements of the two Railway Companies.

ARTICLE VII.—The passenger fares and freight charges for traveling between the terminal stations shall be collected: those going from south to north, in conformity with the tariffs in force on the South Manchuria line, and those going from north to south, in conformity with the tariffs in force on the Chinese Eastern line.

The distribution of the fees collected for transport on the lines of the two Companies shall be made in accordance with an agreement to be concluded between the managements of the two Companies.

ARTICLE VIII.—Each of the two companies enjoys the right gratuitously and reciprocally to make use of the connecting line and the installations attached to the service of transhipment belonging to the other.

ARTICLE IX.—The two railway Companies shall organize a train service mutually co-ordinated and sufficient to ensure regular passenger and freight traffic, and establish regulations and provisions for the service of operation, all in conformity with the interests of that service.

ARTICLE X.—All the provisions to be later adopted on the basis of the present Convention and concerning the train service, the transportation of passengers, the transhipment of merchandise, the signal service, etc., shall be regulated by special arrangement between the two Companies, with due approval of the respective Governments. The mutual use of the means of transportation, the relations between employees of the two railways as well as the mode of fixing the joint quota due to each administration in the distribution of the receipts, shall be regulated subsequently by similar arrangements.

ARTICLE XI.—In all cases where the managements of the two railways cannot agree on points covered by the present Convention or in general upon all other points concerning their reciprocal relations mentioned in this agreement, the differences shall be regulated by the decision of the two respective Governments, arrived at in common after the exchange of views between them on the subject.

In proof whereof the Envoy Extraordinary and Minister Plenipotentiary of Japan and the Minister of Foreign Affairs of Russia have signed the present Provisional Convention and affixed their seals thereto.

Done at St. Petersburg in duplicate on the 13th day of the sixth month of the 40th year of Meiji corresponding to May 31 (June 13), 1907.

(Signed) I. Motono.
(Signed) Iswolsky.

Additional Articles.

I.—The Imperial Russian Government and the Imperial Japanese Government, desiring to establish direct communications for passengers and freight upon the various Russian and Japanese railway lines, undertake to facilitate the conclusion of a special arrangement for this purpose as soon as possible.†

II.—The undersigned, Alexander Iswolsky, Minister for Foreign Affairs of Russia, and Itchiro Motono, Envoy Extraordinary and Minister Plenipotentiary of Japan, having come to an agreement for the adoption of Article 5 of the provisional convention for a connecting railway service, pending the construction of the Changchun-Kirin Railway, it is agreed between the two High Contracting Parties that when the said line shall have been built, the transfer of passengers coming from the north by the Chinese Eastern Railway, and proceeding in the direction either of Kirin or of Dairen, as also the transfer of passengers coming either by the Kirin line or by the South Manchurian line, and proceeding northwards, will take place at the Japanese station of Changchun. For this purpose, a special arrangement will be concluded later between the interested companies.

III.—With a view to bringing into operation the railway connection in Manchuria, without awaiting the completion of the work contemplated by the provisional convention signed this day, the South Manchuria Railway Company will construct a temporary station in proximity to the Russian station of Kuanchengtze, and the two companies will establish, each for its own part, the necessary arrangements for the transfer of passengers, packages, baggage and other objects

† On August 14, 1911, was concluded a supplementary convention for this purpose, of which the translation (from the French text printed in *Izviestia,* 1912, vol. II, p. 43) is as follows:

Supplementary Convention concerning Railway Connections in Manchuria, August 14, 1911.

The Imperial Government of Japan and the Imperial Government of Russia, desiring to facilitate, in accordance with the provisions of Additional Article I annexed to the Provisional Convention concerning the connecting service of the Japanese and Russian Railways in Manchuria, signed at St. Petersburg, May 31/June 13, 1907, the direct shipment of goods between the two countries by the Japanese and Russian railways and steamships, have agreed upon the following:

I.—The two Governments will authorize the railways and the navigation companies interested to make arrangements for the direct shipment of goods. These arrangements will have to be submitted for the approval of the two Governments before being put into force.

II.—The two Governments agree to take, in case of necessity, all indispensable legislative measures for the putting into force of the said arrangements.

In faith whereof the undersigned, duly authorized by their respective Governments, have signed this convention and set their seals thereto.

Done at St. Petersburg, the 14th day of the 8th month of the forty-fourth year of Meiji, corresponding to August 1/14, 1911.

(Sgd.) Motono. (Sgd.) Neratow.

transported by the passenger trains, and the transhipment of merchandise between the temporary Japanese station and the Russian station of Kuanchengtze.

Done at St. Petersburg in duplicate, May 31/June 13, 1907, corresponding to the 13th day of the 6th month of the 40th year of Meiji.

(Sgd.) Iswolsky. (Sgd.) I. Motono.
(L. S.) (L. S.)

PROTOCOL.

At the moment of proceeding to the signature of the Provisional Convention for the connexion of the Japanese and Russian railways in Manchuria, the two High Contracting Parties, judging it useful to settle certain questions relative to the station of Kuanchengtze and to the coal mines of Shibelin and Taokiatun, the undersigned, Itchiro Motono, Docteur en Droit, Envoy Extraordinary and Minister Plenipotentiary of Japan, and le Maitre de la Cour Imperiale, Alexandre Iswolsky, Minister of Foreign Affairs of Russia, have concluded the following:—

Art. I.—It has been agreed between the two High Contracting Parties that in principle the station of Kuanchengtze and its appurtenances were the common property of Japan and Russia, but that, for the sake of practical convenience, the exclusive ownership of the said station and of its appurtenances shall remain with Russia and that for it the Russian Government shall pay to the Japanese Government a sum of 560,393 rubles as compensation for the renunciation by Japan of her rights of co-ownership of the Kuanchengtze station and its appurtenances.

Art. II.—The Russian Government shall turn over to the Japanese Government, with the briefest possible delay, after the signature of the Provisional Convention for the railway connexion, in their actual state, all the railways and all the objects belonging to these railways which are to the south of the point marked N. 2,223 in the plan here annexed, as well as the coal mines at Shibelin and Taokiatun with all their appurtenances. Immediately after the signing of the said Convention, the necessary instructions shall be sent by the two Governments of Japan and Russia to the South Manchuria Railway Company, on the one part, and, on the other part, to the Chinese Eastern Railway Company, to proceed to the transfer of the said railways and of everything belonging to these railways as well as the aforementioned coal mines.

Art. III.—It is agreed between the two High Contracting Parties that the Japanese Government shall subsequently choose a site, where shall be constructed the Japanese station of Kuanchengtze and the town of Changchun.

In the event of the construction of the Kirin railway line, the Japanese Government shall exert itself to cause the construction by the railway company, outside the limits of the Changchun station, of grade crossings or viaducts at the points of crossing of the said line and the principal roads between the Russian station of Kuanchengtze and the town of Changchun.

Art. IV.—The detailed regulations relative to the transhipment of the pas-

sengers and merchandise from one railway to the other, which should be concluded between the two railway companies, Japanese and Russian, shall be discussed and concluded between the companies interested, with the briefest possible delay, after the signing of the Provisional Convention for the railway connexion. As to the place and the date of the meeting of the Delegates respecting that subject, they shall be subsequently determined in the manner most agreeable to the two Parties.

Art. V.—It is agreed between the two High Contracting Parties that the Convention signed under today's date shall be put in force immediately after the construction of the provisional Japanese station mentioned in Article 3 of the Additional Articles of the said Convention shall have been completed.

In testimony whereof, the Envoy Extraordinary and Minister Plenipotentiary of Japan and the Minister of Foreign Affairs of Russia have signed the present Protocol and affixed thereto their seals.

The 13th day of the 6th month of the 40th year of Meiji, corresponding to May 31/June 13, 1907.

(Signed) I. Motono.
(Signed) Iswolsky.

NUMBER 1907/10.

RUSSIA AND CHINA.

Experimental regulations for the establishment of customs houses in Northern Manchuria.—July 8, 1907.*

I.—The Convention for the Land Trade Between Russia and China † provides that no duties shall be levied on the frontier of the two countries within the limit of a hundred *li* (33 miles); and the Chinese Eastern Railway Agreement provides that China must establish Customs Stations where the railway line crosses the frontier.‡

Now, therefore, China agrees not to collect duty for the present upon goods shipped by railway to the stations within the hundred-*li* limit on the frontier.

II.—Certain areas shall be fixed within which goods shipped by rail shall be required to pay but two-thirds of regular import duty.

At Harbin, the main station on the line, such ⅔ duty area shall extend to all points within a radius of ten Chinese *li* (3 miles) from the station. At the following more important places such area shall extend to a distance of five *li* in each direction from the station; viz: Man-chu-li, Cha-lai-no-erh, Hai-la-erh,

* Translation, as printed in *For. Rel.*, 1907, p. 138, from the official Chinese text.
In connection with these regulations, see also the Memorandum of agreement concerning the provisional Sungeri River trade regulations, etc., August 8, 1910 (No. 1910/3, *post*).
See Note 1 to this document, *post*, p. 650.
† See Note 2 to this document, *post*, p. 650.
‡ Agreement signed September 8, 1896 (No. 1896/5, *ante*).

Cha-lan-t'un, Fu-lu-erh-chi, Tsitsi-ha-erh, A-shih-ho, I-mien-po, Hai-lin, Yieh-ho, Mu-lin, Chiao-chie-chan, Shuang-cheng-p'u, Lao-shao-kou, Yao-men, and K'uan-ch'eng-tzu. The two-thirds duty regulation shall be put into effect at all the above places, and within the area around each as stipulated, with the exception, however, of Man-chu-li and Chiao-chie-chan (on the Sui-fen River) both of which places are situated within the hundred-*li* duty free limit. In addition to the above, there shall be two-thirds duty areas extending to a distance of three *li* in each direction from all the smaller stations on the Eastern Railway.

If, however, such goods are shipped out of the places above mentioned and the areas described, all other places being in inland territory, the full amount of the regular duty thereon must be made up, and the goods considered subject to inland trade regulations.§

III.—This reduction of one-third of the regular import duty on goods shipped by railway, is made by special agreement between China and Russia. China agrees, however, that not only Russian but all foreign merchandise shipped to China over the Eastern Railway, is equally affected.

Russia, on her part, agrees that all duty collected on goods which are not exempt from duty by the terms of the Russo-Chinese Land Trade Convention, shall be levied according to the new Customs tariff, one-third of the regular amount being deducted.

IV.—These Articles of Agreement shall serve in a general way for experimental regulations for North Manchurian Customs-houses. If it shall become necessary to make any additions or alterations therein, or if any corrections shall be found necessary in order that the regulations shall be in harmony with Chinese Customs procedure, such changes may be considered and decided upon by both parties to this agreement after one year.

§ With the text as printed in *For. Rel.*, 1907, p. 138, is given the following "Exposition of Article 2":

"Some controversy with regard to the interpretation of Article II. of the above agreement having occurred, the Chinese Board of Foreign Affairs at a later date officially communicated the following explanation of its understanding of that article to the Russian Minister in Peking, and received his acceptance of the same [on October 7, 1907].

"'Article II. of the Experimental Regulations agreed upon by China and Russia for the opening of Customs Houses in Northern Manchuria contains the following clause:

"'If, however, such goods are shipped out of the places above mentioned and the areas described, all other places being in inland territory, the full amount of the regular duty thereon must be made up, and the goods considered subject to inland trade regulations.'

"The meaning of this article is that all goods shipped out of the places mentioned and the areas described, will, (since all other places are considered to be within inland territory) be required to make up the full amount of the regular import duty by paying the ⅓ not previously collected. This additional ⅓ duty will take the place of a transit duty, and upon payment thereof a pass will be issued permitting the goods to be shipped to any point within the Three Eastern Provinces (Manchuria) under the inland trade regulations. Without such pass the goods will be subject to likin and other duties at all Customs barriers passed. Furthermore, if it is proposed to ship these goods upon which the full import duty has been paid, from the Three Eastern Provinces into China proper, then a further half-duty will be collected thereon in accordance with the regular Customs tariff, this being the transit duty for China proper. Upon payment of this duty a pass will be issued exempting the goods from further duty, but without such pass likin and other duties will be collected at all Customs barriers passed.

"And in addition it is clearly understood that this plan as explained is experimental, even as the Regulations themselves, and if any additions or alterations are found necessary, a consideration of the matter shall be held by both parties to this agreement one year hence."

As to detailed regulations for Customs Houses, the mapping of the different areas, and the locating of small stations, these matters shall be discussed and decided as soon as possible by representatives of the two countries.||

Note 1.

In *Soglashenia,* p. 85, are printed a Russian translation of the note from Prince Ch'ing to the Russian Minister at Peking, under date of June 23/July 6, 1907, proposing these regulations, and the reply of the Russian Minister, under date of June 25/July 8, 1907, accepting them; and there is also printed a further exchange of notes, of which the purport is indicated by the following translation of the note addressed by Prince Ch'ing to the Russian Minister under date of July 2/15, 1907:

"On June 25/July 8 last, I had the honor to receive your communication in which you said: 'On this day I had the honor to inform you, Honorable Prince and Dignitaries, that the Imperial Russian Government had expressed its consent to the establishment of Chinese customs houses at the terminal points of the Chinese Eastern Railway, on the basis of rules adopted for the period of one year. I now deem it my duty to state to you that the Imperial Russian Government is seriously solicitous that any special privileges which may in future be granted to goods conveyed into Manchuria through the port of Dalny (Dairen) should also be extended to goods brought into Manchuria over the land frontier. Therefore all privileges granted to goods brought through the port of Dalny, and not provided for in the treaties on maritime trade or the agreement for the construction of the South Manchurian Branch, shall be granted also to the goods introduced into Manchuria over the railroad via frontier points. I deem it my duty to communicate the foregoing to you, Honorable Prince and Dignitaries, in compliance with instructions from my Government.'

"In connection with the foregoing communication the ministry under my charge deems it its duty to inform your Excellency that it has taken careful note of the contents thereof and has taken the matter under advisement."

Note 2.

The reference is to the regulations for trade by land, annexed to the St. Petersburg treaty of February 12/24, 1881, between Russia and China (for which see *Customs,* Vol. 1, p. 188, or *Hertslet,* p. 483), Article 1 of which provided for a duty-free zone of fifty Russian versts (one hundred Chinese *li,* or approximately thirty-three miles) on either side of the frontier. These zones were subsequently abolished. See, in this connection, the following translation (from the Russian text as printed in *Izviestia,* 1912, vol. VI, p. 74) of a note addressed by the Russian Minister at Peking to the Wai Chiao Pu under date of August 24/September 6, 1912:

Abolition of 50-verst duty-free frontier Zone, September 6, 1912.

"On October 25/November 7, last year the Imperial Russian Government handed to the Chinese delegate its counter-proposals for the revision of the St. Petersburg treaty of 1881, which up to the present still remain without answer. The repeated reminders of the Imperial Government as to the necessity, in the interests of the trade of both countries, of coming to a conclusion of the negotiations already commenced for the revision of the said treaty, have not led either to the receipt of the consent of the Chinese Government to the Russian counter-proposals or to any other new proposals regarding the question. The attempt of the Imperial Government to come to an agreement with the Chinese Government regarding the date up to which the St. Petersburg treaty should be left in force has likewise remained without result.

"Such a situation reacts in the most injurious manner on the Russo-Chinese overland trade which, having a biennial or even triennial turnover, has need of settled procedure more than any other trade. The continued uncertainty as to how long the existing system of trade relations on the frontier of Russia and China will last, evokes just complaints from all sides.

"In view of the above, having come to the conclusion that the Chinese Government

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|| See Note 3 to this document, *post,* p. 651.

is either unable or unwilling to negotiate a revision of the St. Petersburg treaty, and considering that the Chinese Government has not availed itself of the right to a revision of trade regulations conveyed under Article 15 of the said treaty, the Imperial Russian Government, desirous of establishing a sound system for Russo-Chinese overland trade, hereby declares that it is compelled to consider the St. Petersburg treaty of 1881 as remaining in force for a further period of ten years, *i.e.* to 7/20 August, 1921, in conformity with the stipulations contained in Article 15 of the treaty.

"Of the proposals communicated by the Chinese delegate in August last year, the Imperial Government has taken note of the desire of the Chinese Government to abrogate the special privilege of duty-free trade in the fifty-verst zone on each side of the land frontier between Russia and China. The Imperial Government recognizes that under the present conditions when along the land frontier a series of populated districts has grown up, the existence of a fifty-verst free zone, established at a time when the frontier was uninhabited, has become in many places abnormal. This is confirmed by the series of difficulties which have arisen latterly as to the true meaning of the privileges connected with the existence of this zone.

"Desiring to meet the above mentioned wish of the Chinese Government, expressed through its delegate for the revision of the St. Petersburg treaty, and recognizing the inconvenience of leaving the question of the fifty-verst privileged zone without decision for ten years, the Imperial Russian Government hereby informs the Chinese Government that the privileged zone on the Russian side of the land frontier between Russia and China will be abolished from 1/14 January, 1913.

"It goes without saying that the Imperial Government will not object to the simultaneous abolishment of the privileged fifty-verst zone on the Chinese side of the frontier."

Note 3.

The following provisional regulations for the working of the Chinese custom houses at the Stations Manchuria and Pogranichnaya (Suifenho) were subsequently agreed upon and published by a notification of the Commissioner of Customs at Harbin on May 30, 1908:

Provisional Regulations for Chinese Custom Houses at Manchuria and Pogranichnaya, May 30, 1908.

General Rules.

"Art. 1.—In accordance with the Contract for the Construction of the Chinese Eastern Railway of 27-th August/8-th September 1896, of Kuang Hsü 22-nd year, 8-th moon 2-nd day, by Chinese calendar, Custom Houses are about to be opened by the Chinese Government at the terminal stations of the Chinese Eastern Railway 'Manchuria' and 'Pogranitchnaya' ('Suifenho') which will be subordinated to the Head Custom House at Harbin.

"At the Stations Horhontê and Mulin Controlling Barriers will be established by the Chinese Customs to control the movements of goods and to levy duties on merchandise exported from within the 50-versts free frontier zone.

"NOTE.—The security existing within the Chinese Eastern Railway Territory is assured to the full extent to the employés of the Chinese Customs.

"Art. 2.—Goods carried by the Chinese Eastern Railway through the said Customs into the Russian Empire, and in the opposite direction, are liable to Customs Import or Export duty respectively at two-thirds of the Tariff rate of the Chinese Maritime Customs.

"Art. 3.—The above mentioned Custom Houses collect exclusively Customs duties and do not levy any inland or other duties or taxes. They however collect Transit Dues on such goods carried by the Railway as are declared at the Customs as intended for transmission into the interior from within the station areas fixed by the despatches of 23-rd and 25-th June/6-th and 8-th July, 1907 (Kuang Hsü 33-rd year, 5-th moon, 26-th and 28-th days). (See Appendix A.) [See Note 1, p. 650.]

"NOTE.—The rate of Transit Dues referred to in this article is as follows:

"1) When conveyed from within the Station areas into the interior within the limits of Manchuria, Transit Dues are equal to one-third of the Maritime Customs Tariff, *i.e.*, one half of the Import duty paid:

"2) When conveyed from within the Station areas to the provinces of China proper the full Maritime duty is made up, *i.e.*, the additional one-third is to be paid together with Transit dues at the rate of one half of the Maritime duty.

"Art. 4.—On payment of Customs or Transit duty the said Customs Houses issue Receipts and Certificates.

"Art. 5.—Goods destined according to their Railway documents for the Stations Manchuria and Pogranitchnaya and other stations situated within the 50-versts frontier zone are—as goods entering the 50-versts free frontier zone—released for conveyance to destination after examination free of duty.

"Art. 6.—Goods from Russia destined according to the Bills of Lading for the stations situated outside the 50-versts frontier zone, or goods laden at the stations Manchuria or Pogranitchnaya and intended for transmission to the stations outside this 50-versts frontier zone, are liable to Import duty after examination by the Customs.

"Art. 7.—In all their actions the Custom Houses at the stations Manchuria and Pogranitchnaya conform with the Treaty of 1881 (Kuang Hsü 7-th year) and the Regulations for Land Trade appended thereto, the Contract for the construction of the Chinese Eastern Railway concluded in 1896 (Kuang Hsü 22-nd year), the Principal Rules given in the despatches of the Chinese Foreign Office and the Russian Minister at Peking of 23-rd and 25-th June/6-th and 8-th July, 1907 (Kuang Hsü 33-rd year 5-th moon, 26-th and 28-th days), the Supplementary despatches of . . . . . 1907 (Kuang Hsü 33-rd year, . . . moon, . . . day), as with the present Provisional Regulations and the general instructions of the Inspector General of the Chinese Imperial Maritime Customs as far as these are applicable to the conditions of land trade.

"The Custom House at the Station Manchuria, being situated in a locality opened to foreign trade, complies also with the treaties concluded by the Chinese Government with other countries.

"Art. 8.—In order not to delay the cargo traffic and in the interest of the Russo-Chinese trade the said Custom Houses will take all necessary measures towards the speedy release of goods passing through the Customs.

"Art. 9.—Buildings required for the use of the Customs at the Stations Manchuria and Pogranitchnaya for offices, for storage and keeping of goods which are in the hands of the Customs (go-downs) and for quarters of the employés will be provided by, and at the expense of the Chinese Government, and the sites for the Russian and Chinese Custom House buildings at these stations will be chosen by mutual agreement in the immediate neighbourhood of each other in order to avoid all delay in the transmission of documents and goods from one Custom House to the other.

"Art. 10.—In the event of there being at the Stations Manchuria and Pogranitchnaya buildings belonging to the Chinese Eastern Railway fulfilling by their situation the demands of the preceding article, such buildings may be placed by the Railway at the disposal of the Customs against rental as by mutual arrangement.

"The Chinese Eastern Railway can in general undertake the construction of all buildings required by the Customs according to the plans and specifications of the Customs at their own cost.

"Art. 11.—For the examination of passengers and their luggage the Russian Customs at the Stations Manchuria and Pogranitchnaya may place at the disposal of the Chinese Customs their Luggage Examination Halls.

"Art. 12.—Chinese Customs buildings (offices and godowns) as well as all the goods discharged by the Customs into these must be guarded by the Customs themselves. The responsibility however for goods in railway cars from which Railway seals have not been removed by the Customs rests with the Railway.

"Art. 13.—In service matters the Russian and Chinese Customs at the Stations Manchuria and Progranitchnaya as well as the Chinese Eastern Railway will render mutually full assistance to each other.

"The Railway undertakes the transmission by all mail trains, of Chinese Customs covers addressed to the stations lying en route free of charge, and will issue by agreement a certain number of free service railway tickets for the employés of the Chinese Customs travelling on service on the line.

"Telegrams from the Chinese Customs are transmitted by the Railway Telegraph against payment as usual.

"Art. 14.—With a view to expedite the transaction of business and establish a fixed terminology and for convenience of the local Chinese population, a gradual introduction, based upon experience, is desirable of a Chinese text parallel with the Russian on forms of documents of various kinds, labels, etc. used by the Railway and which have connection with the Customs.

"In order to facilitate relations between the Chinese Customs at the frontier stations, the Railway and the Russian Customs the external correspondence will be carried on in Russian, with parallel Chinese text if necessary; likewise documents issued by the Chinese Customs will be supplied with parallel Russian text as may be necessary.

"Art. 15.—For the execution of Customs formalities in connection with the goods passing through the Stations Manchuria and Pogranitchnaya in the absence of the owner of the goods or of his agent, the Chinese Eastern Railway maintains at the said stations Customs Agencies.

"NOTE.—Conditions and Rules for the working of the Customs Agencies are defined by special agreements between the Chinese Eastern Railway and the Chinese Customs. In case of it being necessary for the Agencies to pay the duties, these are tendered either in cash or by bills of the Chinese Eastern Railway.

"Art. 16.—Should a discrepancy be discovered between the goods and Customs documents tendered for these, goods will be confiscated or, at the option of the Customs, a fine will be inflicted.

"SPECIAL RULES.

"IMPORT OF GOODS.

"Art. 17.—Goods going from Russia into Manchuria are examined by the Custom Houses at the Stations Manchuria and Pogranitchnaya respectively. Goods which according to the Bills of Lading have for their destination one of the places situated within the 50-versts frontier zone are to be passed without delay free of duty after the Customs have ascertained that among the goods there is nothing prohibited for importation into China.

"NOTE.—Goods mentioned in this article, at the option of the sender, with the consent of the Customs, may be sent under Customs seals of the entering Customs concerned to Harbin for examination and payment of duty.

"Art. 18.—The examination of goods imported into Manchuria will be carried out on the basis of the duplicate copies of the Bills of Lading transmitted by the Russian Customs to the Chinese Customs.

"The Chinese Customs will begin the examination not later than 24 hours from the time of the transmission of the Bills of Lading. The examination of goods brought by a train must be completed in the shortest time possible and not later than 48 hours from the moment the examination began. In case of noncompliance with the fixed time limits, a report will be drawn up by the Custom House anent the circumstances of delay and submitted to the Head Custom House; copy of that report is to be attached to the railway cargo documents.

"Art. 19.—The undermentioned particulars must invariably be entered on the Bills of Lading, *i.e.*, name of sender, and, if possible, the name of addressee, place of despatch of goods (the station of departure), place of destination, denomination, quantity and weight of goods; mode of packing, signs, marks, numbers, etc. and, if possible, the value of goods, and the signature of the railway offical appointed for the purpose.

"Art. 20.—In addition to the duplicate copies of Bills of Lading it is left to the owner of the goods to present to the Customs Invoices, Specifications and other documents defining value, quality and quantity of goods.

"Art. 21.—Besides the above mentioned duplicate copies of the Bills of Lading, the Railway station officials present to the Customs for comparison Train and Car Lists.

"Art. 22.—On receipt of the Bill of Lading the Customs either calculate the duties leviable according to the data given on the Bill of Lading if, upon unloading a part of the goods, the packages after outside inspection or on opening a certain number of packages at random be found to correspond in all respects with the particulars given on the Bill of Lading, or otherwise goods are unloaded from cars, opened up and examined by the Customs in the event of there being some discrepancy or suspicion about the documents.

"Art 23.—The despatch of goods from the Stations Manchuria or Pogranitchnaya into Manchuria by the Railway line is only to take place with the cognisance of, and after the sender of goods has submitted to, the Customs a written application to that effect.

"Goods destined for stations situated inside the 50-versts zone are passed without delay duty free after the Customs have ascertained there is nothing in them that is prohibited for importation. Goods going by railway to places outside the 50-versts frontier zone are examined according to the application presented and charged Import duty on whenever leviable.

"Goods, however, sent from other stations within the 50-versts zone to stations outside this zone are liable to examination and levy of duty whenever such is due at the Controlling Barriers to be established by the Chinese Customs at the stations Horhontê and Mulin.

"Art. 24.—The release of goods from Customs control takes place immediately after the payment of Customs duties leviable on them. In proof of payment of duty the Customs issue Receipts to exempt goods from second payment of Customs duty.

"Art. 25.—At the option of the owner of goods Receipts may be issued for separate lots of goods forming part of a consignment showing fractional amounts of duty charged on each lot, but on payment of a special fee for these Receipts.

"Art. 26.—These Receipts remain in force for three years.

"Art. 27.—Goods prohibited for importation into China when discovered will be confiscated by the Customs.

"Art. 28.—(Not settled.)

"Art. 29.—(Not settled.)

"Art. 58. [Follows Art. 29 as referring to the same subject.]—Goods having for their destination one of the points inside the station areas which have paid duty on importation may be transmitted to places in the interior upon presentation of an application to the entering Customs or the Harbin Head Custom House together with a receipt of either of the Custom Houses at the Stations Manchuria or Pogranitchnaya in proof of payment of the Import duty, and upon payment of Transit dues at the rate fixed in Article 3 of the present Regulations.

"The Customs concerned, or the Head Custom House at Harbin, after having verified the goods with the entries in the Receipts in proof of payment of duty and after having levied the said Transit dues, issues to the owner of the goods Transit Certificates mentioned above.

"Art. 30.—Transit Certificates may, at the option of the owner of goods, be issued for a whole consignment of the goods or for each separate lot of a consignment as may be decided by the owner of goods.

"EXPORT OF GOODS.

"Art. 31.—On arrival of a train from Manchuria at the Stations Manchuria or Pogranitchnaya the Railway officials present to the Customs House Train and Car Lists and the duplicate copies of Bills of Lading.

"Art. 32.—Only such goods as are addressed to the Stations in Russia outside the 50-versts frontier zone are liable to Export duty after examination by the Customs.

"Art. 33.—Goods exported from Manchuria are examined by the Chinese Customs who assess the Export duty according to the Chinese Tariff and then by the Russian Customs who calculate the Import duty according to the Russian Tariff, or, in order to avoid delay, according to circumstances, examination and assessment of duty are carried out by both Customs jointly and simultaneously.

"Art. 34.—Goods which are liable to Chinese Export duty may not be despatched by railway into the Russian Empire before duty has been paid.

"Art. 35.—Goods the exportation of which from the Chinese Empire is prohibited will be confiscated by the Chinese Customs.

"Art. 36.—In the case of goods brought to the Stations Manchuria or Pogranitchnaya for transmission into the Russian Empire which have already paid Export duty, these will be released by the Chinese Customs without a fresh levy of Export duty, in the event of a Certificate regarding such payment being presented and if the packages upon outside inspection prove to be in agreement with the particulars given in the Certificate. In case of discrepancy or a suspicion about the goods, these will be examined.

"RAILWAY GOODS.

"Art. 37.—All articles and materials required for the construction, working and repairs of the Chinese Eastern Railway Line are exempt from all Customs taxes and duties as well as those levied inland. In these are also included all articles required for the protection of the line.

"Art. 38.—For the above mentioned goods the Railway presents to the Customs duplicate copies of Bills of Lading and the goods will be released by the Customs at once after an outside inspection and comparison of packages with the particulars in the Bills of Lading, with the exception of those special cases when the Harbin Head Custom House directs the Custom House to examine a particular lot of railway goods.

"Art. 39.—The said duplicate copies of Bills of Lading will be accompanied by certificates or declarations issued by the Chinese Eastern Railway to the effect that these goods are its own property and intended for its requirements (use).

"Art. 40.—In case it is intended to sell or transmit to an outsider materials or articles mentioned in Article 37, whether on account of their not being needed or being worn out, a declaration of such intention to the Customs is necessary, who on consideration of the circumstances, gives the permission, and levies duty, if such is due.

"GOODS IN TRANSIT.

"Art. 41.—Goods passing from one locality of the Russian Empire to another in transit through Manchuria are released at once by the Customs without levy of duty and without hindrance if the seals affixed at the entering Station by the Russian and Chinese Customs are intact. The Chinese Customs seals are affixed to the cars after the Russian Customs seals.

"Art. 42.—The Railway hands over to the Customs for information duplicate copies of Bills of Lading for the transit goods mentioned in the preceding article.

"Art. 43.—Should seals of one of the Customs be damaged or lost en route while

the seals of the other Customs or the Railway seals are intact and the latter agree with the entries made in the Car List, the leaving Customs orders the release of the car on its journey without making a detailed internal verification of the cargo.

"Art. 44.—Should all the seals affixed at the entering station be damaged or lost or only a part of them making unhindered access into the car possible, or the car be damaged en route, and require a reloading of goods, the railway station at which the damage is discovered, informs immediately by telegraph the Customs at the station of entry as well as the nearest Custom House and detains the car until the receipt of a telegraphic reply.

"Art 45.—It rests with the Custom House which receives the telegram to appoint a special employé to carry out the investigation into the causes of damage or loss of seals, or to commission the Railway to make such investigation or to authorise the despatch of the car for investigation to the leaving frontier station.

"Art. 46.—If at the investigation or upon inspection and comparison of cargo with documents at the place of accident or at the leaving Customs the cargo be found in full agreement with the documents it will be allowed to proceed without hindrance.

"Art. 47.—On the cars with damaged or lost seals new seals will be affixed at the place of accident with which they will proceed to the frontier leaving Customs, proper remarks to the effect being made on the cargo documents; if a special Customs officer be sent to make the investigation, in addition to the Railway seals attached at the place of accident, Customs seals will be affixed by him also. In the absence of the Customs officer the cars will proceed with only the Railway seals.

"Art. 48.—(Not settled.)

"Art. 49.—In case of shortage, loss or disagreement of cargo, caused through derailment or other uncontrollable forces (force majeure) the Railway is not responsible to the Customs, but in all such cases the railway must take proper steps to prevent pilfering, loss, etc., of the remaining cargo.

"Art. 50.—If, in cases described in Article 49, it is intended to sell the remaining or damaged cargo on the spot, Customs permission must be obtained beforehand. Import duty (and Transit dues, if leviable) must be paid by the purchaser before delivery of the sold cargo.

"Art 51.—In case the investigation proves the guilt of Railway employés, the Customs concerned notifies this to the Railway authorities for them to take such action as may be deemed necessary, and the Railway authorities will inform the Customs of the decision given.

"RE-EXPORTS.

"Art. 52.—In case foreign goods are re-exported from China, the import duty originally paid will be refunded in accordance with the rules followed by the Chinese Maritime Customs, as given below.

"Art. 53.—Foreign goods which have paid Import duty, if re-exported from China within three years from the date of such payment, may receive refund of the previously paid Import duty in the form of Drawback Certificate.

"Art. 54.—Drawback Certificates are accepted by the Customs without deduction in payment of Export and Import duties. If desired, they may be exchanged for ready money.

"Art. 55.—Drawback Certificates are issued by the Customs within three weeks from the day of presentation of documents establishing the right of the owner of goods to a refund of duty, in case the goods prove to be in all respects in agreement with the description recorded at the time of importation, if they are in their original packages, bearing all the distinguishing signs and marks, and if the duty the refund of which is requested was actually paid within the specified term.

"Art. 56.—Should the examination prove discrepancy between goods and documents and fraud be discovered, the goods will be confiscated.

"Art. 57.—If fraud be discovered when refund of duty is claimed on foreign goods, the Customs at its option either inflicts a fine not exceeding five times the duty the refund of which was applied for, or confiscates the goods concerned.

"Art. 58.—(Follows Art. 29.)

"Art. 59.—(Not settled.)

"Art. 60.—The following Articles prohibited to be imported and exported, in accordance with Article 15 of the Regulations for Land Trade of 1881, if carried through the Stations Manchuria and Pogranitchnaya will be considered as contraband articles and liable to confiscation: Powder, Artillery Ammunition, Cannon, Guns, Rifles, Pistols and all kinds of Fire Arms, Military Munitions and Implements of War, Salt, Opium. Likewise it is prohibited to export from China through the Stations Manchuria and Pogranitchnaya Rice and Chinese Copper Coins.

"Rules Regarding Passengers' Luggage.

"Art. 61.—Passengers' luggage is passed after examination duty free.

"Art. 62.—As luggage are generally recognised all articles accompanying a passenger whether intended for his personal use or required on the journey.

"Art. 63.—Should there be discovered among the passengers' luggage articles prohibited to be imported or exported, they will be confiscated.

"Art. 64.—Dutiable articles whether of the nature of goods or in excessive quantity evidently intended for sale, carried among the luggage, must be declared before examination by the owner when questioned by the examining officer, otherwise the articles will be confiscated and the owner may be fined.

"NOTE.—In case of any changes made in the rules existing in the Chinese Maritome Customs at the ports regarding luggage these will also be extended to the Chinese Customs established after the pattern of the latter at the terminal points of the Railway.

"Art. 65.—The examination of passengers and their luggage arriving from Russia will be carried out by the officers of the Chinese Customs in presence of a Russian Customs Official and, if articles prohibited by the Russian law for exportation into China be discovered, such will be handed over to the Russian Customs to deal with.

"The examination of passengers and their luggage proceeding from Manchuria into the Russian Empire will be carried out in the presence of an officer of the Chinese Customs by the Russian Customs; should any article prohibited to be exported from China be discovered, such will be handed over to the Chinese Customs to deal with. Articles liable to Export duty will be charged duty on.

"Rules Regarding Postal Parcels.

"I. GENERAL RULES.

"Art. 66.—Postal parcels imported into, and exported from, China are, like other goods, subject to Customs examination and payment of duty according to general rules.

"Art. 67.—All regulations relative to duty payment at reduced rate or exemption from duty are equally applicable to articles sent by postal parcels from within, or into, the station areas.

"Art. 68.—Postal parcels going in transit by railway are exempted from payment of Import and Export duties.

"Art. 69.—Postal parcels are—besides Import and Export duties—liable to Transit dues or Likin according to general rules.

"Art. 70.—Articles which are prohibited to be imported into, or exported from, China may not be sent in postal parcels.

"II. SPECIAL RULES.

"*A. Parcels sent to China.*

"Art. 71.—Parcels addressed to places in China must be accompanied by Customs Declarations in duplicate on the lines given in the Parcel Post rules of the Rome Convention (Detailed Regulations, Art. VI, 1.).

"Art. 72.—In the declarations must be given: place of despatch, denomination of contents, quantity, gross and net weight, value of contents, form of packing, place of destination and name of addressee.

"Art. 73.—On arrival of parcels at the Stations Manchuria and Pogranitchnaya the Postal department hands in to the Custom House a List of parcels in duplicate together with two copies of the corresponding declarations. In the list the parcels must be grouped together as far as possible according to their places of destination.

"Art. 74.—The Custom House either demands the presentation of all, or a part of, parcels for examination, or sends an Officer to examine them at the Post Office, or on the strength of declarations passes the parcels without examination.

"Art. 75.—The amount of duty, if any is due, will be marked on the declarations and in the list, of each of which the Custom House retains one copy and returns the duplicate copies of the list and declarations to the Post Office.

"Art. 76.—Parcels not liable to duty will be marked in the list and on the declarations 'duty free.'

"Art. 77.—If addressees of parcels are in a place where there is a Custom House they are to pay the duty to the Customs which issue receipts on the presentation of which the Post office delivers the parcel. Duty may also be paid to the Post office which in such cases transmits the sums collected to the Custom House.

"The issue of parcels for which duty had been fixed by the Customs is not to take place before the presentation of Customs receipt or until the amount of duty had been paid to the Post office.

"Art. 78.—Parcels addressed to other places in China where there are no Custom Houses are to be sent to the Post office nearest to the place of residence of the addressee

accompanied by declarations and with a remark 'duty free' or 'duty amounting to ..... Roubles.....copecks to be collected before delivery,' (which resembles to Trade charges for the amount of duty due).

"Art. 79.—Sums collected by Post offices from the addressees of parcels will be remitted by them to the entering Customs concerned or to the Harbin Custom House in full at the expense of receivers of parcels.

"Art. 80.—For the execution of such Customs formalities the Postal department has the right to exact from addressees a commission at the rate fixed by International or Russian Postal regulations.

"Art. 81.—In case of a refusal of the addressee to pay the duty parcels will be dealt with in accordance with the existing Postal regulations; but if it be decided to sell such parcel the duty assessed must be paid by the purchaser.

"B. Parcels sent from China.

"Art. 82.—Parcels to be exported from Manchuria and despatched from the Stations Manchuria and Pogranitchnaya or from places where there is a Custom House must be first presented to the Customs for examination and payment of duty, whenever such is due, and to receive a permit without which the Post office will not accept parcels (for transmission).

"Art. 83.—When conveying such duty-paid parcels through the Stations Manchuria and Pogranitchnaya a List of parcels together with one copy of Customs declarations is to be presented by the Postal department to the Custom House concerned. Parcels of this category must as far as possible be packed up separately from other parcels which have not paid duty. Such packages at the option of the Customs will travel under seals of the Custom House which levied duty as far as the frontier station where the seals will be removed by the leaving Customs.

"Art. 84.—Whenever parcels are to be sent from places where there is no Custom House a Customs declaration in triplicate must simultaneously be handed in to the Post Office and duty paid at the rate of 5% on the value declared. The amount of duty is to be simultaneously forwarded to the leaving Customs at the expense of the sender.

"Art. 85.—On arrival of such parcels at the frontier station a List in duplicate together with Customs declarations in triplicate is to be presented to the Customs. The amount of duty levied and remitted must be marked in the List and on Declarations.

"Art. 86.—The Custom House either demands the presentation of all, or of a part of, passing parcels for examination, or sends an Officer to examine at the Post office (or in the Postal car), or gives permission for the parcels to be sent on without examination, and retains one copy each of the List and Declarations.

"Art. 87.—If at the examination a discrepancy between the contents of a parcel and the declaration be discovered giving ground to suspect intention to defraud the Customs, such parcels will be liable to confiscation.

"Art. 88.—In case of too low a declaration of the value on the basis of which duty was levied by the Postal department at the place of despatch of a parcel, the release of such a parcel for abroad may be deferred by the Customs until the deficient amount had been paid up."

NUMBER 1907/11.

JAPAN AND RUSSIA.

Political Convention.—July 30, 1907.*

The Government of his Majesty the Emperor of Japan and the Government of his Majesty the Emperor of All the Russias, desiring to consolidate the rela-

* Translation from the French text as printed in *Traités et Conventions*, p. 60. French text printed also in the Russian Yellow-Book, *Documents relatifs à la Conclusion entre la Russie et le Japon de la Convention Politique du 17/30 juillet, 1907* (St. Petersburg, 1907); *Hertslet*, p. 619; *Am. Int. Law Journal, Supplement*, 1907, p. 396 (French text and translation).

See also the Russo-Japanese conventions of July 4, 1910 (No. 1910/1, *post*), and of July 3, 1916 (No. 1916/9, *post*).

tions of peace and good neighbourhood which have happily been re-established between Japan and Russia, and wishing to remove for the future every cause of misunderstanding in the relations of the two Empires, have agreed upon the following provisions:—

Art. I.—Each of the High Contracting Parties engages to respect the actual territorial integrity of the other, and all the rights accruing to one and the other Party from the treaties, conventions and contracts in force between them and China, copies of which have been exchanged between the Contracting Parties (in so far as these rights are not incompatible with the principle of equal opportunity), from the treaty signed at Portsmouth on the 5th of September (23rd of August), 1905,† as well as from the special conventions concluded between Japan and Russia.

Art. II.—The two High Contracting Parties recognise the independence and the territorial integrity of the Empire of China and the principle of equal opportunity in whatever concerns the commerce and industry of all nations in that empire, and engage to sustain and defend the maintenance of the *status quo* and respect for this principle by all the pacific means within their reach.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed this Convention and have affixed their seals.

Done at St. Petersburg, the 30th day of the 7th month of the 40th year of Meiji, corresponding to the 30th (17th) of July, 1907.

(Signed) I. Motono.
(Signed) Iswolsky

NUMBER 1907/12.

RUSSIA (Chinese Eastern Railway Company) AND CHINA (Heilungkiang Province).

Agreement regarding the operation of coal mines in Heilungkiang Province.—August 30, 1907.*

With a view to establishing definite rules for the exploration and operation of coal deposits in Heilungkiang Province for the needs of the Chinese Eastern Railway, we the undersigned, Major General Horvath, Manager of the Chinese Eastern Railway, and Mr. Daniel, Plenipotentiary of the Manager of the Chinese Eastern Railway, parties of the first part, and Expectant Taotai Sun-syao-lyan,

* Translation from the Russian text as printed in *Soglashenia*, p. 42. · To the text as there given is appended a note that an agreement regarding the operation of coal mines in Kirin Province, in identical terms (*mutatis mutandis*), was signed on the same date, by the same parties on the Russian side, and by Tu Hsiao-Ying, Expectant Taotai, as the delegate of Kirin Province. See also Note to this document, *post*, p. 661.

† No. 1905/8, *ante*.

Wearer of the Peacock Feather, Delegate of Heilungkiang Province, party of the second part, have concluded the following agreement:

1. The right is granted to the Chinese Eastern Railroad to work the coal within certain regions of Heilungkiang Province.

The places where the coal may be worked within the limits of these regions, and the mode of working it, shall be determined by the management of the railway itself. However, when explorations are made, a Chinese official must be present in order to ascertain whether there are any objections to the work, the question whether or not there are such objections being determined by the distance of the shafts from Chinese settlements or cemeteries, as follows: Shafts shall not be sunk nearer than two Chinese *li* to large commercial settlements, not nearer than one Chinese *li* to villages of not over ten dwellings, and not nearer than one-half Chinese *li* to large cemeteries and sacred groves.

2. Within a zone of thirty Chinese *li* on either side of the roadbed of the railroad, the right to explore and work the coal deposits shall belong to the railroad. However, Chinese shall also be allowed the right to work the coal deposits within the limits of a zone thirty Chinese *li* wide on either side of the road, provided this does not interfere with mines previously operated by the management of the road; and the management shall not offer any opposition thereto. If there should be other foreigners, or Chinese and foreigners, who have gathered capital and desire to operate the coal deposits within the radius of a zone thirty Chinese *li* wide, they shall not be allowed to proceed with such operation until receiving permission from the Chinese authorities as well as the consent of the management of the road. As regards lands situated outside the thirty *li* zone, they do not concern the management of the road, and the permission for Chinese or foreigners to explore or operate the coal deposits therein shall depend entirely on the Chinese authorities, the management of the road not having any right to interfere in such matters. If the management of the road should desire to make explorations of coal deposits outside the thirty *li* zone, it must first receive permission from the proper governor, whereupon it may proceed, but in this case the rights of the management of the road shall in no wise differ from those of Chinese or foreigners.

3. In order not to deprive the inhabitants of coal regions of mineral fuel, the residents of villages in the vicinity of shafts belonging to the Chinese Eastern Railway Company shall have a right to buy coal from the company at prices fixed by the management of the Chinese Eastern Railway for each deposit separately. The prices fixed shall be published by the management for general information and communicated to the Tsiao-she-tsü at Harbin for the same purpose.

4. If in the vicinity of a place selected for the mining of coal there are settlements of not over five dwellings or cemeteries of not over ten graves, the Chinese Eastern Railway Company shall enter into arrangements with the owners of the dwellings or cemeteries for the removal thereof to other places, with the requirement that the matter be discussed and settled in agreement with the official of the Tsiao-she-tsü, whereupon it shall be necessary to communicate the matter to the local governor for his information.

5. In each individual case when, as a result of prospecting, it is ascertained

that coal may be worked in a particular place, the question of the dimensions of the tract to be worked shall be discussed by the management of the road with the official of the Tsiao-she-tsü and the owner of the land. Upon the tract to be worked being determined, a fair rental or purchase price must be fixed, and not until this question has been settled shall permission for proceeding with the work be granted. Lands which, after being explored, prove useless, shall be releveled at the expense of the management of the road and returned to the owner, for the management of the road is not granted ownership of the surface of the land. For any injuries caused to forests or crops the management of the road shall likewise be obliged, in company with the official of the Tsiao-she-tsü, to reach an agreement with the owners and grant them just compensation.

6. Any timber found within the limits of the tract purchased, and necessary for the operation of the coal deposits, may be prepared by the management of the road at its discretion. With respect to forests situated on private land outside the limits of the purchased tract, the management of the road must come to an agreement with the owner of the land and proceed in accordance with the forestry regulations established by agreement with the manager of the road. In regard to government lands, it shall also be necessary to proceed in accordance with the forestry regulations mentioned.

7. For every 1,000 *kin* of coal extracted, the Chinese Eastern Railway Company shall pay into the Heilungkiang treasury 12/100 of a Heilungkiang tael quarterly, that is, at the end of March, June, September, and December. Moreover, for each active shaft, the Chinese Eastern Railroad Company shall pay annually at the rate of 17.64 Heilungkiang taels in silver, making the payment at the end of June.

8. With respect to government lands, it shall also be necessary to make explorations in company with a Chinese official, it being necessary to determine the boundaries, and, with the consent of the management of the road, a rental shall be fixed which cannot, however, exceed the amount of charges collected upon the colonization of lands of similar quality.

9. All questions on which no final agreement has been reached between the company and private individuals or the government treasury, as well as all misunderstandings which may arise at the place where the work is going on, shall be examined and finally decided by the Tsiao-she-tsü of Harbin.

10. All the foregoing provisions of the present agreement relate solely to the Chinese Eastern Railway Company and are in no case applicable to Chinese subjects who are engaged in the mining of anthracite coal at the present time or who may receive permission for such work in future. All such persons shall be exclusively subject to the Chinese laws already existing on the subject, the Chinese Eastern Railway Company taking no part in the matter.

11. The present agreement shall be written in the Chinese and Russian languages in duplicate. In case any dispute arises, the Chinese text shall be taken as a basis.

12. The Tsiao-she-tsü of Heilungkiang Province shall send a Chinese delegate to all coal mines being worked by the Chinese Eastern Railway Company, which delegate shall remain at the place of operations, keep track of the amount

of coal extracted, and, in company with the Russian superintendent of the mines, prepare reports. Quarters shall be assigned to him by the management of the road. The boundaries of the coal deposits shall be accurately defined, or the deposits shall be surrounded by a fence. In case Chinese who have committed some offense conceal themselves within the limits of the mining regions, the Chinese police may be allowed access thereto, provided the local authorities first communicate with the superintendents of the mines, the latter then appointing persons to cooperate with the Chinese police in searching for and arresting the guilty parties.

(Signed) Major General HORVATH,
Manager of the Chinese Eastern Railway.
E. DANIEL,
Agent empowered by Manager of the Chinese Eastern Railway to deal with the Chinese authorities.
(Chinese signature), *Expectant Taotai, Wearer of the Peacock Feather, Delegate of Heilungkiang Province.*

Harbin, August 17/30, 1907 (22d day, 7th moon, 33d year of the Reign of Kuang Hsü.

Note.

The following is a translation from the Chinese text of an agreement for the mining of coal in the Province of Heilungkiang, which had been concluded on January 1/14, 1902:

Agreement for Coal Mining in Heilungkiang, January 14, 1902.

"On the 1st of January, 1902, Russian Calendar, being the 5th of the Twelfth Moon, XXVII Year of Kuanghsü, Chinese Calendar (January 14th, 1902), Ta-nieh-erh (Tarnier), being appointed by the Engineer-in-Chief of the Chinese Eastern Railway, Ju-ko-wei-chih (Jugovitch) as his agent with full powers, has entered into the following Articles of Agreement with Sa, who is by Imperial appointment the Acting Tartar General of the Province of Hei-lung-chiang:—

"I.—The Tartar General of the Province of Hei-lung-chiang, being desirous of preserving the forests of that province, has given to the Railway Company authority to prospect for coal and to mine coal without hindrance in the said province, the said Company being at liberty to determine for itself in what places and by what methods to so prospect and mine.

"II.—When prospecting for coal or mining the same, it will be necessary to observe the following three conditions;—

"(*a*) The Railway Company shall have the exclusive right to prospect for coal and to mine coal within not more than 30 Chinese *li* on either side of the railway line.

"(*b*) Should any foreigners, either some other company or some combination of Chinese and foreign share-holders, desire to prospect for coal or mine coal outside the 30 *li* limit on either side of the railway, the Tartar General agrees that before granting them permission so to do he will first consult with the Chinese Eastern Railway Company.

"(*c*) Should the Chinese Eastern Railway Company desire to prospect for coal or mine coal outside the 30 *li* limit on either side of the railway, the said Chinese Eastern Railway shall be accorded precedence over all other applicants, but it shall be necessary for the said Company to observe the general Regulations of China governing the mining of coal.

"III.—In order that the people living in the vicinity of the mines may not be deprived of fuel from the mines, the villagers of the region round about the mines of the Chinese Eastern Railway Company shall be permitted to purchase coal from the said Railway Company, but the conditions of these various mines are not alike, and it will be necessary to adhere to the prices to be fixed by the Head Company, and after the prices shall have

been decided upon by the Head Company, they shall be published for the information of all concerned and notice of the same shall be sent to the Hei-lung-chiang General Bureau of Railway Affairs at Harbin for purposes of verification.

"IV.—Any hamlet in any region selected for the mining of coal, if it be in close proximity to a mine and if it shall contain not more than five families, and any grave plot which shall contain not more than ten graves, may be removed, provided the Railway Company shall consult with the owners of said property about the removal and the price to be paid as compensation. But the price to be paid must be agreed to by both parties concerned, and the Hei-lung-chiang General Bureau of Railway Affairs at Harbin shall use its good offices to secure agreement upon a fair price.

"V.—Should there be any large grave near to any mine, not less than half a Chinese *li* shall be reserved between it and any mining operations. If there be hamlets of ten families or more, such mining operations must not be carried nearer to them than one Chinese *li,* and in the case of a large market town not nearer than two Chinese *li.*

"VI.—Should any injury be done to ground planted with trees, the Railway Company shall pay the owner for the same at the rate per *mou* paid for the land on which the railway line is built. If injury be done to fields bearing crops, the Company shall come to an amicable arrangement with the proprietors for compensation and pay the same.

"VII.—Should openings be made in places which are afterwards abandoned, the Railway Company must appropriate money to pay for filling them, or compensation must be made by the Company for any land that is damaged, which land shall nevertheless remain in the possession of its owner.

"VIII.—All timber needed for construction, and any other materials needed for use, as well as all timber cut down either inside or outside of the area prospected or mined shall be paid for at a price amicably agreed upon with the owner, in the case of private lands, and, in the case of timber cut on Government lands, the Hei-lung-chiang royalty shall be paid, amounting to 8% of the price at which such timber may be bought in the market, or 8% of contractor's price for the same.

"IX.—Every thousand catties (Chinese) of coal taken out of the mines for its own use by the Railway Company shall pay to the treasury of the Hei-lung-chiang Province Chiang-p'ing Taels 0.08, to be paid every quarter at the end of March, June, September, and December, Russian Calendar. In addition to this at the end of June each year the Railway Company shall pay for each coal shaft opened an annual tax of Chiang-p'ing Taels 17.64.

"X.—All unsettled questions between the Railway Company on the one hand and officials or private persons on the other, and all misunderstandings that may arise during the mining of coal shall be settled by the Hei-lung-chiang General Bureau of Railway Affairs at Harbin.

"XI.—The foregoing Regulations have been agreed upon with exclusive reference to coal mines opened by the Railway Company. Coal mines operated by Chinese, no matter whether new or old, no matter in what place situated, are all to be operated in accordance with the old regulations of China, and the Railway Company is in no wise concerned therewith. These Regulations apply only to those places in which the mines are located, and do not refer to any other mining property whatsoever.

"XII.—This agreement is written in Chinese, Russian, and French, there being two copies of each, and has been signed by the Acting Tartar General of the Hei-lung-chiang, Sa, and by Ta-nieh-erh (Tarnier), the agent of the Engineer-in-chief, whom he is fully empowered to represent, and, after it shall have been signed, as is necessary, by the Engineer-in-chief of the Chinese Eastern Railway, Ju-ko-wei-chih (Jugovitch) and the Assistant Engineer, I-ko-na-chai-wu-ssu, one copy of each text shall be given to the Tartar General of Hei-lung-chiang, and one to the Engineer-in-chief. Should any dispute arise as to the sense, the French text shall be considered authoritative. Kuanghsü XXVII Year, 12th Moon, 5th Day, *i.e.,* Jan. 1, 1902, Russian Calendar (January 14th, 1902)."

NUMBER 1907/13.

RUSSIA (Chinese Eastern Railway Company) AND CHINA (Heilungkiang Province).

Contract for the expropriation of lands in Heilungkiang Province.—August 30, 1907.*

In order to establish a definite system for the expropriation of lands in Heilungkiang Province for the requirements of the Chinese Eastern Railway, we the undersigned, Major General Horvath, General Manager of the Chinese Eastern Railway, and Daniel, Agent of the General Manager of the Chinese Eastern Railway, on the one hand, and Expectant Taotai Sung Hsiao-lien, Decorated with the Peacock Feather, Delegate of Heilungkiang Province, on the other, have concluded the following agreement:

ARTICLE 1.—After the conclusion of this present agreement both contracting parties must strictly observe it, and since the whole quantity of land required for the railway has been included in this agreement, the Chinese Eastern Railway Company will never make any further expropriations.

ARTICLE 2.—The total quantity of land expropriated in Heilungkiang Province is fixed at one hundred and twenty-six thousand Chinese *shang,* beginning at the Chinese frontier at the western station of Manchuria and going eastward as far as the station of Zaton on the northern bank of the river Sungari at the city of Harbin. This quantity shall be divided among the stations and along the line in accordance with the special schedule attached to this contract, and the boundaries of the expropriated land shall be indicated by ditches. When paid for, the lands shall pass into the possession of the Chinese Eastern Railway Company in accordance with the contract for the construction of this road.

ARTICLE 3.—The prices of lands belonging to private owners lately expropriated (with the exception of those already paid for) are fixed according to the following three categories:

(*a*) For cultivated lands: At the stations of Zaton or Peichiangtzu, for each Chinese shang, sixty rubles; at Tueichingshan, Tsitsihar and Fuliaerhti, forty rubles; at Yientungtun and Kukuluh, thirty-three rubles.

(*b*) For good lands that are not cultivated: At Zaton, for each Chinese *shang,* twenty-five rubles; at Tueichingshan, Tsitsihar and Fuliaerhti, twenty rubles; at Yientungtun and Kukuluh, fifteen rubles;

(*c*) For wet meadows: At Zaton, for each Chinese *shang,* thirteen rubles; at Tueichingshan, Tsitsihar, Fuliaerhti, Yientungtun, and Kukuluh, ten rubles.

ARTICLE 4.—The Chinese Eastern Railway Company agrees also to pay for government land expropriated, at the rate of eight rubles for each Chinese

* Translation from the Russian text as printed in *Soglashenia,* p. 33.

In connection with this contract see also a similar contract in regard to Kirin Province (No. 1907/14, *post*).

shang of land, irrespective of quality. Lands belonging to towns and villages shall be paid for at the same rate. Payment shall be made upon completion of the surveys.

ARTICLE 5.—When investigating the local conditions and fixing the boundaries of large and small stations in conjunction with the Chinese officials, suitable tracts of land that shall be sufficient for Chinese traders, shall be set aside. These tracts shall be under the jurisdiction of the Chinese administration.

ARTICLE 6.—At the five large stations of Manchuria, Hailar, Tsitsihar, Anda and Tueichingshan appropriate places, situated near the station building, shall be set apart for the construction of quarters for the reception of Chinese officials, and lots shall also be set apart for the construction of branch offices of the Tiehlu Chiaoshieh Tsung Chu at all stations on the line. The Chinese Eastern Railway Company shall not pay for these lands, and they shall be under Chinese jurisdiction, which however should not interfere with administrative measures or public order.

ARTICLE 7.—Towns, villages, houses, market places and graves situated at the expropriated stations should be passed around, in accordance with Article 2 of the agreement for the construction of the Chinese Eastern Railway. Such sums as have already been paid for this and also for the lands which are being returned, are to be deducted by the Chinese Eastern Railway Company from the payments due for lands expropriated under the present agreement. If, however, these lands shall be really indispensable for the railway and it would be difficult to pass around them, payment should be made by the Chinese Eastern Railway Company for the houses, yards, wells, trees and graves, at a price that will be fair in view of the actual conditions, so that they can be removed to another place and be rebuilt.

ARTICLE 8.—When choosing locations for the construction of railway bridges over navigable rivers, the locations should be examined in conjunction with a Chinese official in order not to interfere with navigation. In the same manner, if it shall be found that there are not enough places where sand, lime, stone and water can be obtained on the lands expropriated by this present agreement, and also if it shall become necessary to take measures against floods, the lands necessary for these purposes may be acquired only after an examination in conjunction with a Chinese official, and with the approval of the Chinese authorities, it being understood, moreover, that the quantity of such lands shall not be considerable, and that they shall be used only for the purposes above set forth.

ARTICLE 9.—Trees growing on the expropriated land, whether belonging to the government or to private owners, must be paid for separately. If mineral deposits shall be found to exist on the expropriated area it will be necessary to come to a special agreement in order to work them, and no claim can be based on this agreement in case such questions shall arise.

ARTICLE 10.—The owners of buildings situated on the expropriated lands may use them for the period of three years from the date that this agreement is signed. If, however, the Chinese Eastern Railway Company shall find it necessary, the said buildings must be surrendered and the money due must be paid in accordance with Article 7 of this agreement.

ARTICLE 11.—Surveyors and Chinese officials should be detailed by the Chinese Eastern Railway Company and by the Chinese authorities to inspect and measure in *shangs* the expropriated areas, in accordance with the annexed schedule, and to fix the boundaries of the concession, after which a plan and a list of the expropriated lands shall be prepared. One copy of the plan and list shall be delivered through the Chinese authorities to the governor for his information. The total quantity of land, both that which has been paid for and that which has not been paid for, in the various sections must be verified, and must not exceed the total area fixed by this present agreement. The deeds should be compared with the old documents, and they should be paid for fairly.

ARTICLE 12.—The Chinese Eastern Railway Company will make its forthcoming payments for privately owned land in the presence of Chinese officials who shall be sent for the purpose by the Chinese authorities, immediately upon receipt of notice from the management of the railway.

The deeds and plans shall be authenticated by the seal of the Chinese authorities.

ARTICLE 13.—After the conclusion of this present agreement, the agreement formerly concluded by the management of the railway with Taotai Chou Mien shall be considered as void.

ARTICLE 14.—This agreement shall be written in the Chinese and Russian languages and shall be signed and sealed by both parties. One copy of this agreement shall be kept in the Yamen of the Governor of Heilungkiang, and the other in the general office of the railway. In case of dispute the Chinese text shall be considered authoritative.

The original was signed by:

Major General HORVATH,
General Manager of the Chinese Eastern Railway.
DANIEL,
Agent of the General Manager of the Chinese Eastern Railway for Relations with the Chinese Authorities.
(Signed in Chinese)
Expectant Taot'ai Decorated with the Peacock Feather, Delegate of Heilungkiang Province.

Harbin, August 17, 1907 (August 30, 1907, new style); 22nd day of the 7th month of the 33rd year of the reign of Kuang Hsü.

SCHEDULE OF THE LANDS EXPROPRIATED ON THE WESTERN LINE.

Versts.		Names of Stations.	Number of *Shang.*
	1	Manchuria Station	6,000
8	2	Abagatui Siding, No. 1	350
17	3	Kosinovo Siding, No. 2	350
29	4	Jalainor Station	6,000
37	5	Mutny Siding, No. 3	571
46	6	Argun Siding, No. 4	890
57	7	Jakang Station	1,000
67	8	Holmy Siding, No. 5	350
75	9	Bezvodny Siding, No. 6	350
85	10	Harhontu Station	600
97	11	Peschany Siding, No. 7	300

Versts.		Names of Stations.	Number of *Shang.*
106	12	Stepnoi Siding, No. 8	300
116	13	Wankung Station	600
126	14	Ravniny Siding, No. 9	350
137	15	Mergal Siding, No. 10	350
146	16	Ukunor Station	600
154	17	Vysoki Siding, No. 11	300
166	18	Kulakofski Siding, No. 12	300
175	19	Hailar Station	6,500
185	20	Ryzhofski Siding, No. 13	350
194	21	Zalivnoi Siding No. 14	350
201	22	Hakei Station	1,700
210	23	Mokry Siding, No. 15	350
219	24	Bozhko Siding, No. 16	300
227	25	Jaromte Station	1,000
236	26	Pesochny Siding, No. 17	300
245	27	Nizina Siding, No. 18	300
252	28	Yakoshi Station	1,500
262	29	Jadungol Siding, No. 19	350
272	30	Nadriechny Siding, No. 20	350
283	31	Mientuho Station	6,000
293	32	Krivoi Siding, No. 21	350
302	33	Serbski Siding, No. 22	350
312	34	Unur Station	1,000
323	35	Korgo Siding, No. 24	350
332	36	Puchinny Siding, No. 25	350
346	37	Irekte Station	600
348	38	Hingan Station	600
354	39	Petlya Siding, No. 26	500
364	40	Saltanovo Siding, No. 27	350
372	41	Puhato Station	6,000
379	42	Moroz Siding, No. 28	....
	43	Gorigol quarry	2,600
389	44	Debidergol Siding No. 29	....
399	45	Yalu Station	1,000
409	46	Tryacina Siding, No. 30	350
419	47	Lamashan Siding, No. 31	700
429	48	Barim Station	800
439	49	Plafski Siding, No. 32	350
448	50	Abnur Siding, No. 33	850
459	51	Halasu Station	1,200
469	52	Amiho Siding, No. 34	350
479	53	Semenofski Siding, No. 35	350
489	54	Jalantun Station	6,000
496	55	Sara Siding, No. 36	600
506	56	Kulikin Siding, No. 37	350
517	57	Jenghiskhan Station	3,000
526	58	Goriely Siding, No. 38	350
535	59	Kosinho Siding, No. 39	500
544	60	Nientzushan Station,	3,000
554	61	Suhoi Siding, No. 40	350
564	62	Imahino Siding, No. 41	350
573	63	Turchiha Station	3,000
582	64	Gershevo Siding, No. 42	461
592	65	Litifangtzu Siding, No. 43	461
		PRIVATE LAND.	
602	66	Kukuluh Station	1,545
611	67	Fuliaerhti Siding, No. 44	1,746
623	68	Tsitsihar Station	6,500
631	69	Unuchi Siding, No. 46	461
640	70	Uchiatzu Siding, No. 47	461
653	71	Yientutun Station	2,057
661	72	Utai Siding, No. 48	461
669	73	Lieschik Siding, No. 49	461
678	74	Hsiaohaotzu Station	1,543
688	75	Wungchihai Siding, No. 50	461

Versts.		Names of Stations.	Number of *Shang*.
698	76	Bezlyudny Siding, No. 51	461
707	77	Lamatientzu Station	1,594
717	78	Solonchaki Siding, No. 52	461
727	79	Saertu Station	1,544
737	80	Siding No. 53	461
748	81	Siding No. 54	461
757	82	Abta Station	6,000
767	83	Siding No. 55	421
777	84	Siding No. 56	461
787	85	Sung Station	1,539
797	86	Siding No. 57	461
807	87	Siding No. 58	771
817	88	Mongko Station	1,543
827	89	Siding No. 59	771
837	90	Siding No. 60	771
847	91	Tueichingshan Station	1,813
857	92	Siding No. 61	769
867	93	Siding No. 62	771
877	94	Zaton Station	6,800
		For the line between the stations, sidings and platforms, 544 versts, at 11.25 *shang* per verst, the width being 35 *sazhen* (245 ft.)	6,098
		Total	126,000*

The original was signed by:

Major General HORVATH,
General Manager of the Chinese Eastern Railway.
DANIEL,
Agent of the General Manager of the Chinese Eastern Railway for Relations with the Chinese Authorities.
(Signature in Chinese)
Expectant Taot'ai, Decorated with the Peacock Feather, Delegate of Heilungkiang Province.

NUMBER 1907/14.

RUSSIA (Chinese Eastern Railway Company) AND CHINA (Kirin Province).

Contract for the expropriation of lands in Kirin Province.†—August 30, 1907.

In order to establish a definite system for the expropriation of lands in Kirin Province for the requirements of the Chinese Eastern Railway, we the undersigned, Major General Horvath, General Manager of the Chinese Eastern Railway, and Daniel, Agent of the General Manager of the Chinese Eastern Railway, on the one hand, and Expectant Taot'ai Tu Hsiao-Ying, Decorated with the Peacock Feather, Delegate of Kirin Province, on the other, have concluded the following agreement:

ART. 1.—After the conclusion of this present agreement both contracting parties must strictly observe it forever, and since the whole quantity of land

* 120,000 *shang* equal 220,500 acres or 344½ square miles.

† Translation from the Russian text as printed in *Soglashenia*, p. 38.

In connection with this contract see also a similar contract in regard to Heilungkiang Province (No. 1907/13, *ante*).

required for the railway has been included in this agreement, the Chinese Eastern Railway Company will never make any further expropriation.

ART. 2.—The total quantity of land expropriated along the eastern line in Kirin Province is fixed at fifty-five thousand Chinese *shang,* starting from Pogranitchnaya Station on the east and continuing westward as far as Ashiho Station. This quantity shall be divided among the stations and along the line of the railway in accordance with the special schedule attached to this agreement, and the boundaries of the expropriated land shall be indicated by ditches. When paid for, the lands shall pass into the possession of the Chinese Eastern Railway Company in accordance with the contract for the construction of this road.

ART. 3.—The prices of lands belonging to private owners lately expropriated (with the exception of those already paid for) are fixed according to the following three categories:

(*a*) For cultivated lands: At Ashiho Station, seventy-two rubles; at the stations of Erhtsungtientzu, Hailin, Maoershan, Pogranitchnaya, Imianpo, and Hungtaohotzu, forty-five rubles; at the stations of Uchimi, Shaosuifen, Shaoyehling, Kaolingtzu, Weishaho, Mutanchiang, Taimako, Shangshi, Mulin, Shitohotzu, Mutaoshi, Machiaho, Taipingling, and Shilinho, thirty-seven rubles, for each Chinese *shang.*

(*b*) For good lands that are not cultivated; Ashiho, thirty rubles; Erhtsungtientzu and others (six places), twenty-two rubles; Uchimi and others (fourteen places), sixteen rubles 50 kopecks for each Chinese *shang.*

(*c*) For wet meadows: Ashiho, fifteen rubles; the remaining twenty places, eleven rubles, for each Chinese *shang.*

ART. 4.—The Chinese Eastern Railway Company agrees also to pay for government land expropriated, at the rate of eight rubles for each Chinese *shang* of land, irrespective of quality. Lands belonging to towns and villages shall be paid for at the same rate. Payment shall be made upon completion of the surveys.

ART. 5.—When investigating the local conditions and fixing the boundaries of the large and small stations in conjunction with the Chinese officials, tracts of land near the stations, that shall be suitable and sufficient, in view of local conditions, shall be set apart for Chinese traders. These tracts shall be under the jurisdiction of the Chinese administration.

ART. 6.—At the four large stations of Ashiho, Imianpo, Hungtaohotzu and Pogranitchnaya, appropriate places, situated near the station building, shall be set apart for the construction of quarters for the reception of Chinese officials, and lots must also be set apart for the construction of branch offices of the Tiehlu Chiaoshieh Tsung Chu at all stations on the line. The Chinese Eastern Railway Company shall not pay for these lands, and they shall be under Chinese jurisdiction, which however should not interfere with administrative measures or public order.

ART. 7.—Towns, villages, houses, market places and graves situated at the expropriated stations should be passed around, in accordance with Article 2 of the agreement for the construction of the Chinese Eastern Railway. Such sums as have already been paid for this and also for the lands which are being

returned, are to be deducted by the Chinese Eastern Railway Company from the payments due for lands expropriated under the present agreement. If, however, these lands shall be really indispensable for the railway and it would be difficult to pass around them, payment should be made by the Chinese Eastern Railway Company for the houses, yards, wells, trees and graves, at a price that will be fair in view of the actual conditions, so that they can be removed to another place and be rebuilt.

ART. 8.—When choosing locations for the construction of railway bridges over navigable rivers, the locations should be examined in conjunction with a Chinese official in order not to interfere with navigation. In the same manner, if it shall be found that there are not enough places where sand, lime, stone and water can be obtained on the lands expropriated by this present agreement, and also if it shall become necessary to take measures against floods, the lands necessary for these purposes may be acquired only after an examination in conjunction with a Chinese official, and with the approval of the Chinese authorities, it being understood, moreover, that the quantity of such lands shall not be considerable, and that they shall be used only for the purposes above set forth.

ART. 9.—Trees growing on the expropriated land, whether belonging to the government or to private owners, must be paid for separately. If mineral deposits shall be found to exist on the expropriated area it will be necessary to come to a special agreement in order to work them, and no claim can be based on this agreement in case such questions shall arise.

ART. 10.—The owners of buildings situated on the expropriated lands may use them for the period of three years from the date that this agreement is signed. If, however, the Chinese Eastern Railway Company shall find it necessary, the said buildings must be surrendered and the money due must be paid in accordance with Article 7 of this present agreement.

ART. 11.—Surveyors and Chinese officials should be detailed by the Chinese Eastern Railway Company and by the Chinese authorities to inspect and measure in *shangs* the expropriated areas, in accordance with the annexed schedule, and to fix the boundaries of the concession, after which a plan and a list of the expropriated lands shall be prepared. One copy of the plan and list shall be delivered through the Chinese authorities to the governor for his information. The total quantity of land, both that which has been paid for and that which has not been paid for, in the various sections must be verified, and must not exceed the total area fixed by this present agreement. The deeds should be compared with the old documents, and they should be paid for fairly.

ART. 12.—The Chinese Eastern Railway Company will make its forthcoming payments for privately owned land in the presence of Chinese officials who shall be sent for the purpose by the Chinese authorities, immediately upon receipt of notice from the management of the railway.

The deeds and plans shall be authenticated by the seal of the Chinese authorities.

ART. 13.—This agreement shall be written in the Chinese and Russian languages, and shall be signed and sealed by both parties. One copy of this agreement shall be kept in the Yamen of the Governor of Kirin and the other in the

general office of the railway. In case of dispute the Chinese text shall be considered authoritative.

(Signed) *Major General* HORVATH,
General Manager of the Chinese Eastern Railway.
DANIEL,
Agent of the General Manager of the Chinese Eastern Railway for Relations with the Chinese Authorities.
(Signature in Chinese.)
Expectant Taot'ai, Decorated with the Peacock Feather, Delegate of Kirin Province.

Harbin, August 17, 1907 (August 30, 1907, new style); 22nd day of the 7th Month of the 33rd year of the Reign of Kuang Hsü.

[Seal of the Governor of Kirin Province.]

SCHEDULE OF THE LANDS EXPROPRIATED ON THE EASTERN LINE.

Versts.		Names of Stations and Sidings.	Number of *Shang.*
934	1	Ashiho Station	1,000
943		Tai-wa-ko Platform, No. 132	300
953	2	Erh-tsung-tien-tzu Station	800
959		Lime Platform, No. 133	400
978		Erh-tao-ho-tzu, No. 134	600
989	4	Mao-erh-shan Station, and quarry	1,200
999		Hunghutze Siding, No. 135	400
1,010		New Siding, No. 136	400
1,018	5	U-chi-mi Station	1,100
1,028		U-chi-mi-ho Siding, No. 137	600
1,037		Ya-ku-niang Platform, No. 138	800
1,047	6	I-mian-po Station	5,600
1,056		Lukashoff Platform, No. 139	200
1,065		Samchvalovo Siding, No. 140	200
1,075	7	Wei-sha-ho Station	1,000
1,085		Kozantzevo Siding, No. 141	300
1,094		Yablonya Siding, No. 142	250
1,104	8	Shi-to-ho-tzu Station	1,500
1,108		Tu-tao-ho-tzu Siding, No. 143	100
1,115		Li-tao-ho-tzu Siding, No. 144	100
1,121		Shi-ma-ho-tzu Siding, No. 145	100
1,128	9	Kao-lingtzu Station	300
1,133		Wei-la-ho-tzu Platform, No. 146	200
1,139		Sa-la-ho-tzu Siding, No. 147	400
1,144		Miedviezhii Platform, No. 148	200
1,149	10	Hung-tao-ho-tzu Station	3,500
1,159		Shan-tao-wa-ti Siding, No. 149	500
1,170		Chi-lin-tzu Platform, No. 150	400
1,179	11	Shang-shi Station	1,000
1,189		Hsi-han Siding, No. 151	200
1,198		Ah-tu Platform, No. 152	200
1,207	12	Hailin Station	1,500
1,217		La-chu Platform, No. 153	750
1,227	13	Mu-tan-chiang Station	1,400
1,237		Platform No. 155	700
1,233	14	Yeho Station	5,500
1,248	15	Mu-tao-shi Station	600
1,254		Siding No. 156	100
1,259		Nagornii Siding, No. 157	100
1,266		Siding No. 158	200
1,272	16	Tao-ma-ko Station	800
1,277		Tieh-ling-ho Siding, No. 159	300

1,284		Siding No. 160	200
1,290		Siding No. 161	700
1,297	17	Mu-lin Station	3,500
1,308		Ilyinski Siding, No. 162	300
1,318		Sueh-ching-tzu Siding, No. 163	200
1,327	18	Ma-chia-ho Station	900
1,332		Platform No. 164	200
1,339		Mu-mien-ho Siding, No. 165	200
1,343		La-mien-ho Platform, No. 166	200
1,349	19	Tai-ping-ling Station	700
1,354		Tiefenbach Siding, 167	350
1,361		Lishnii Platform, No. 168	300
1,364	20	Shi-lin-ho Station	700
1,374		Siding No. 169	200
1,384	21	Shao-sui-fen Station	750
1,394		Pei-la-ho-tzu Siding, No. 170	200
1,400		Platform No. 171	500
1,407	22	Pogranitchnaya Station	5,000
1,413		Platform	500
		For the line between the stations, sidings and platforms, at a width of 32 *sazhen* (224 feet), 10.3 *shangs* per verst, 300 versts	3,100
		Total	55,000‡

The original was signed by:

Major General Horvath,
General Manager of the Chinese Eastern Railway.

Daniel,
Agent of the General Manager of the Chinese Eastern Railway for Relations with the Chinese Authorities.

(Signed in Chinese.)
Expectant Taotai, Decorated with the Peacock Feather, Delegate of Kirin Province.

NUMBER 1907/15.

RUSSIA (Chinese Eastern Railway Company) AND CHINA (Kirin Province).

Agreement for the Felling of Timber in Kirin Province.—August 30, 1907.*

Tu Hsueh-ying, Expectant Taotai, with Peacock's Feather, Special Delegate of the Kirin province;

Major-General Horward, manager of the Chinese Eastern Railway Company; and E. Daniel, representative of the said manager with full powers; have agreed upon the following regulations governing the cutting, within certain specified sections, by the Chinese Eastern Railway Company, of the timber required for the Company's use.

1.—The Chinese Eastern Railway Company shall be allowed to fell all kinds of timber at three places in the Kirin province as follows:—

* Translation, from the Chinese text, as printed in *Customs*, vol. I, p. 260. Russian text printed in *Soglashenia*, p. 51.

In connection with this agreement, see also the similar agreement in regard to Heilungkiang Province, April 5, 1908 (No. 1908/6, *post*).

‡ 55,000 shang equal 96,107 acres or 150 square miles.

(a.) A section near Shih-t'ou-ho-tzu, the plan of which is hereto appended.

(b.) A section near Kao-ling-tzu, the plan of which is hereto appended.

Those two sections comprise the former Frank's concession, measuring 85 *li* in length.

(c.) A section near I-mien-po, which shall not exceed 25 *li* in length or breadth, or 625 square *li* in area. The plan of this section, when prepared, shall be annexed hereto.

2.—Prior to the commencement of felling operations, the Railway Company shall notify to the Head Office for Foreign Business connected with the railway the quantity and kind of timber to be felled, applying for the necessary license, in which the same particulars shall be given. On payment of one-third of the amount of license fees due on the quantity of timber as applied for by the Railway Company, the license shall be issued by the Chinese authorities, and the remainder of the fees due on the actual quantity taken, as noted on the license, shall be paid after all the timber has been collected.

3.—On the 1st day of the 8th month in every year (Russian calendar) new licenses for timber felling shall be issued to the Railway Company to be valid for one year, at the end of which the license fees due on the actual quantity of timber felled during the period shall be calculated and paid. In the event of the quantity of timber actually felled being less than one-third of the total quantity as stated in the license, the license fees prepaid thereon shall belong to the Chinese Government and shall not be refunded; and in the event of the timber felled exceeding the quantity stated in the license, the fees on the surplus shall be paid in accordance with these regulations. If the Railway Company fails to pay the license fees when due or infringes any of the articles of this Agreement, the licenses issued shall be annulled, and the timber-cutting rights in the specified sections shall be withdrawn. So long as the Railway Company pays the license fees in accordance with the regulations and adheres to the articles of this Agreement, the Chinese authorities shall renew the licenses annually, according to these regulations, on the date above stated.

4.—The Railway Company shall, at its own expense, mark the boundaries of the sections granted to it for timber felling. The Railway Company shall not cut timber outside these boundaries, while the Chinese authorities shall not allow, and shall do their utmost to prevent, the cutting of timber by others within the assigned sections.

5.—The Railway Company shall leave sufficient space for thoroughfares at such places as touch the railway line.

6.—The Railway Company shall make its own arrangements in connection with the felling of timber in the aforesaid sections for which licenses shall have been issued, and shall be at liberty to stack timber, to put up sawmills, to erect dwelling-houses, and to make side roads for the transportation of timber. The Railway Company shall permit Chinese soldiers to go within the boundaries for the capture of brigands, and shall in no way interfere with Chinese who may be hunting or gathering ginseng within the boundaries. If there be any tillable land within the timber-felling sections, the Chinese authorities remain at liberty to bring in emigrants to open up the land, and to this the Railway Company shall

offer no obstruction. The local inhabitants shall be permitted to cut timber within the said sections for their own use, for purposes of building, and for fuel, but on such occasions the resident Weiyüan shall notify the Railway Company, and the section on which the cutting is to take place will be indicated, the quantity of timber to be taken will be settled, and a special permit will be issued. On no account shall such timber be sold to outsiders. On the grass lands within the said sections the Railway Company shall be at liberty to feed their cattle and to cut grass for their sheep on payment to the Chinese authorities at the rate of 1 copeck for every pound.

7.—For all timber cut under a license the Railway Company shall pay license fees at the rate of four-tenths of a copeck for every length of 1 arshine (equal to 2 feet 2 inches building measure) with a thickness of 1 vershok (equal to 1.375 inches building measure). This applies only to large timber measuring 16 inches (Russian) in diameter and 12 feet (Russian) in length.† When the timber exceeds these dimensions, either of length or diameter, the charge shall be half a copeck for every arshine in length and every vershok in thickness. The license fees on firewood shall be one ruble for every *ku-pang*,‡ and on railway sleepers 3½ copecks apiece. The diameter of large timber shall be that of the small end, and in this measurement a fraction exceeding six-tenths of a Russian inch shall be taken as a full Russian inch, and a fraction of less than six-tenths shall not be counted. In measuring the length of timber, fractions less than one-fourth of a Russian foot shall not be taken into account.§ The scale of license fees now fixed shall hold good for five years from the date of the signature of this Agreement, and shall then be reconsidered. Should the Railway Company purchase timber from merchants whom the Chinese authorities shall have permitted to fell timber, the Company shall pay license fees according to the above scale on the timber so purchased at the time when it is taken over.

8.—The Chinese authorities shall send Weiyüan to reside permanently in the defined areas in order to supervise the timber felling and to note the kinds, dimensions, and quantities, of which, conjointly with the Russian officials, they shall keep a record to serve as a basis for the calculation of license fees.

9.—For land taken up by the Railway Company for making side tracks, stacking timber, erecting machine buildings and dwelling-houses, etc., the rental for every Chinese *shang* without distinction as to quality shall be 3 rubles per annum in the case of Government land. In the case of land belonging to individuals, the consent of the owner shall be obtained and an annual rental paid.

10.—As all forests are now under the care of the Chinese Government, the Railway Company in cutting timber shall not contravene the forestry regulations which the Chinese Government may issue.

11.—Under present circumstances there is required for railway purposes in the Kirin province 200,000 *ku-pang* of firewood, 800,000 railway sleepers, and 200,000 pieces of large timber annually, but the Chinese authorities will consent

† The Russian text here gives 16 vershok in diameter and 12 arshine in length.
‡ The Russian text here gives "cubic sajen" = 343 English cubic feet.
§ In the Russian text the fractions are six-tenths vershok and one-quarter arshine.

to an increase in these quantities if the future development or improvement of the railway should make it necessary.

12.—If it is desired to sell any surplus of timber cut for railway purposes, such timber shall pay taxes according to the established tariff.

13.—After the signature of this Agreement it shall be observed by both parties, and all other agreements previously made and all licenses previously issued shall be cancelled.

14.—This Agreement is done in duplicate, in Chinese and Russian, with plans || annexed of the sections in which timber may be felled, and after it has been signed and sealed by both parties, one copy will be kept in the yamên of the Kirin Governor and one copy by the Chinese Eastern Railway Company. In the event of any dispute arising as to the interpretation of this Agreement, the Chinese version shall be held to be correct.

Dated at Harbin:

22nd day, 7th moon, 33rd year of KUANG HSÜ:

17th day, 8th month, 1907 (Russian calendar).

NUMBER 1907/16.

GREAT BRITAIN AND RUSSIA.

Convention relating to Persia, Afghanistan, and Thibet.—August 31, 1907.*

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, and His Majesty the Emperor of All the Russias, animated by the sincere desire to settle by mutual agreement different questions concerning the interests of their States on the Continent of Asia, have determined to conclude Agreements destined to prevent all cause of misunderstanding between Great Britain and Russia in regard to the questions referred to, and have nominated for this purpose their respective Plenipotentiaries, to wit:

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, the Right Honourable Sir Arthur Nicolson, His Majesty's Ambassador Extraordinary and Plenipotentiary to His Majesty the Emperor of All the Russias;

His Majesty the Emperor of All the Russias, the Master of his Court Alexander Iswolsky, Minister for Foreign Affairs;

* Translation, as printed in *Am. Int. Law Journal*, supplement, 1907, p. 398, from French text. Printed also in British *Treaty Series*, 1907, No. 34, and in *Hertslet*, p. 620 (omitting conventions in regard to Persia and Afghanistan).

In connection with this convention, see also the convention between Great Britain and China respecting Tibet, April 27, 1906 (No. 1906/2, *ante*).

|| Not printed.

Who, having communicated to each other their full powers, found in good and due form, have agreed on the following:—

AGREEMENT CONCERNING PERSIA.

The Governments of Great Britain and Russia having mutually engaged to respect the integrity and independence of Persia, and sincerely desiring the preservation of order throughout that country and its peaceful development, as well as the permanent establishment of equal advantages for the trade and industry of all other nations;

Considering that each of them has, for geographical and economic reasons, a special interest in the maintenance of peace and order in certain provinces of Persia adjoining, or in the neighborhood of, the Russian frontier on the one hand, and the frontiers of Afghanistan and Baluchistan on the other hand; and being desirous of avoiding all cause of conflict between their respective interests in the above-mentioned provinces of Persia;

Have agreed on the following terms:—

I.—Great Britain engages not to seek for herself, and not to support in favour of British subjects, or in favour of the subjects of third Powers, any Concessions of a political or commercial nature—such as Concessions for railways, banks, telegraphs, roads, transport, insurance, &c.—beyond a line starting from Kasr-i-Shirin, passing through Isfahan, Yezd, Kakhk, and ending at a point on the Persian frontier at the intersection of the Russian and Afghan frontiers, and not to oppose, directly or indirectly, demands for similar Concessions in this region which are supported by the Russian Government. It is understood that the above-mentioned places are included in the region in which Great Britain engages not to seek the Concessions referred to.

II.—Russia, on her part, engages not to seek for herself and not to support, in favour of Russian subjects, or in favour of the subjects of third Powers, any Concessions of a political or commercial nature—such as Concessions for railways, banks, telegraphs, roads, transport, insurance, &c.—beyond a line going from the Afghan frontier by way of Gazik, Birjand, Kerman, and ending at Bunder Abbas, and not to oppose, directly or indirectly, demands for similar Concessions in this region which are supported by the British Government. It is understood that the above-mentioned places are included in the region in which Russia engages not to seek the Concessions referred to.

III.—Russia, on her part, engages not to oppose, without previous arrangement with Great Britain, the grant of any Concessions whatever to British subjects in the regions of Persia situated between the lines mentioned in Articles I and II.

Great Britain undertakes a similar engagement as regards the grant of Concessions to Russian subjects in the same regions of Persia.

All Concessions existing at present in the regions indicated in Articles I and II are maintained.

IV.—It is understood that the revenues of all the Persian customs, with the exception of those of Farsistan and of the Persian Gulf, revenues guaranteeing the amortization and the interest of the loans concluded by the Government of the

Shah with the " Banque d'Escompte et des Prêts de Perse " up to the date of the signature of the present Agreement, shall be devoted to the same purpose as in the past.

It is equally understood that the revenues of the Persian customs of Farsistan and of the Persian Gulf, as well as those of the fisheries on the Persian shore of the Caspian Sea and those of the Posts and Telegraphs, shall be devoted, as in the past, to the service of the loans concluded by the Government of the Shah with the Imperial Bank of Persia up to the date of the signature of the present Agreement.

V.—In the event of irregularities occurring in the amortization or the payment of the interest of the Persian loans concluded with the " Banque d'Escompte et des Prêts de Perse " and with the Imperial Bank of Persia up to the date of the signature of the present Agreement, and in the event of the necessity arising for Russia to establish control over the sources of revenue guaranteeing the regular service of the loans concluded with the first-named bank, and situated in the region mentioned in Article II of the present Agreement, or for Great Britain to establish control over the sources of revenue guaranteeing the regular service of the loans concluded with the second-named bank, and situated in the region mentioned in Article I of the present Agreement, the British and Russian Governments undertake to enter beforehand into a friendly exchange of ideas with a view to determine, in agreement with each other, the measures of control in question and to avoid all interference which would not be in conformity with the principles governing the present Agreement.

CONVENTION CONCERNING AFGHANISTAN.

The High Contracting Parties, in order to ensure perfect security on their respective frontiers in Central Asia and to maintain in these regions a solid and lasting peace, have concluded the following Convention:—

ARTICLE I.—His Britannic Majesty's Government declare that they have no intention of changing the political status of Afghanistan.

His Britannic Majesty's Government further engage to exercise their influence in Afghanistan only in a pacific sense, and they will not themselves take, nor encourage Afghanistan to take, any measures threatening Russia.

The Russian Government, on their part, declare that they recognize Afghanistan as outside the sphere of Russian influence, and they engage that all their political relations with Afghanistan shall be conducted through the intermediary of His Britannic Majesty's Government; they further engage not to send any Agents into Afghanistan.

ARTICLE II.—The Government of His Britannic Majesty having declared in the Treaty signed at Kabul on the 21st March, 1905, that they recognize the Agreement and the engagements concluded with the late Ameer Abdur Rahman, and that they have no intention of interfering in the internal government of Afghan territory, Great Britain engages neither to annex nor to occupy in contravention of that Treaty any portion of Afghanistan or to interfere in the internal administration of the country, provided that the Ameer fulfils the engagements already contracted by him towards His Britannic Majesty's Government under the above-mentioned Treaty.

ARTICLE III.—The Russian and Afghan authorities, specially designated for the purpose on the frontier or in the frontier provinces, may establish direct relations with each other for the settlement of local questions of a non-political character.

ARTICLE IV.—His Britannic Majesty's Government and the Russian Government affirm their adherence to the principle of equality of commercial opportunity in Afghanistan, and they agree that any facilities which may have been, or shall be hereafter, obtained for British and British-Indian trade and traders, shall be equally enjoyed by Russian trade and traders. Should the progress of trade establish the necessity for Commercial Agents, the two Governments will agree as to what measures shall be taken, due regard, of course, being had to the Ameer's sovereign rights.

ARTICLE V.—The present arrangements will only come into force when His Britannic Majesty's Government shall have notified to the Russian Government the consent of the Ameer to the terms stipulated above.

AGREEMENT CONCERNING THIBET.†

The Governments of Great Britain and Russia recognizing the suzerain rights of China in Thibet, and considering the fact that Great Britain, by reason of her geographical position, has a special interest in the maintenance of the *status quo* in the external relations of Thibet, have made the following Agreement:—

ARTICLE I.—The two High Contracting Parties engage to respect the territorial integrity of Thibet and to abstain from all interference in its internal administration.

ARTICLE II.—In conformity with the admitted principle of the suzerainty of China over Thibet, Great Britain and Russia engage not to enter into negotiations with Thibet except through the intermediary of the Chinese Government. This engagement does not exclude the direct relations between British Commercial Agents and the Thibetan authorities provided for in Article V of the Convention between Great Britain and Thibet of the 7th September, 1904, and confirmed

† Simultaneously with the conclusion of this convention, an agreement was effected by an exchange of notes of which the tenor is indicated by the following translation of the note of the British Ambassador to the Russian Minister for Foreign Affairs:

"With reference to the Agreement regarding Thibet, signed to-day, I have the honour to make the following Declaration to your Excellency:—

"His Britannic Majesty's Government think it desirable, so far as they are concerned, not to allow, unless by a previous agreement with the Russian Government, for a period of three years from the date of the present communication, the entry into Thibet of any scientific mission whatever, on condition that a like assurance is given on the part of the Imperial Russian Government.

"His Britannic Majesty's Government propose, moreover, to approach the Chinese Government with a view to induce them to accept a similar obligation for a corresponding period: the Russian Government will, as a matter of course, take similar action.

"At the expiration of the term of three years above mentioned His Britannic Majesty's Government will, if necessary, consult with the Russian Government as to the desirability of any ulterior measures with regard to scientific expeditions to Thibet."

This agreement was not renewed upon its expiration on August 31, 1910: notice of its lapse was published on the authority of the Information Bureau in the *Novoye Vremya* and other St. Petersburg newspapers of December 29/January 11, 1911.

by the Convention between Great Britain and China of the 27th April, 1906;‡ nor does it modify the engagements entered into by Great Britain and China in Article I of the said Convention of 1906.

It is clearly understood that Buddhists, subjects of Great Britain or of Russia, may enter into direct relations on strictly religious matters with the Dalai Lama and the other representatives of Buddhism in Thibet; the Governments of Great Britain and Russia engage, so far as they are concerned, not to allow those relations to infringe the stipulations of the present Agreement.

ARTICLE III.—The British and Russian Governments respectively engage not to send Representatives to Lhassa.

ARTICLE IV.—The two High Contracting Parties engage neither to seek nor to obtain, whether for themselves or their subjects, any Concessions for railways, roads, telegraphs, and mines, or other rights in Thibet.

ARTICLE V.—The two Governments agree that no part of the revenues of Thibet, whether in kind or in cash, shall be pledged or assigned to Great Britain or Russia or to any of their subjects.

ANNEX TO THE AGREEMENT BETWEEN GREAT BRITAIN AND RUSSIA CONCERNING THIBET

Great Britain reaffirms the Declaration, signed by his Excellency the Viceroy and Governor-General of India and appended to the ratification of the Convention of the 7th September, 1904, to the effect that the occupation of the Chumbi Valley by British forces shall cease after the payment of three annual instalments of the indemnity of 2,500,000 rupees, provided that the trade marts mentioned in Article II of that Convention have been effectively opened for three years, and that in the meantime the Thibetan authorities have faithfully complied in all respects with the terms of the said Convention of 1904.§ It is clearly understood that if the occupation of the Chumbi Valley by the British forces has, for any reason, not been terminated at the time anticipated in the above Declaration, the British and Russian Governments will enter upon a friendly exchange of views on this subject.

The present Convention shall be ratified, and the ratifications exchanged at St. Petersburg as soon as possible.‖

In witness whereof the respective Plenipotentiaries have signed the present Convention and affixed thereto their seals.

Done in duplicate at St. Petersburgh, the 18th (31st) August, 1907.

(L. S.) A. NICOLSON.

(L. S.) ISWOLSKY.

‡ No. 1906/2, *ante*.

§ *Hertslet* (p. 622) notes that the final instalment of the indemnity was paid on January 27, 1908, and the Chumbi Valley was evacuated on February 8, 1908.

‖ Ratifications were exchanged on September 23, 1907.

NUMBER 1907/17.

RUSSIA (Chinese Eastern Railway Company) AND CHINA.

Agreement in regard to the working of the telegraph lines of the Chinese Eastern Railway.—October 7, 1907.*

Agreement made the 1-st day of the 9-th moon of the 33-rd year of the reign of Kwang-Hsu corresponding with the 7-th day of October 1907 between the Imperial Chinese Telegraph Administration (hereinafter called the Telegraph Administration) of the one part and the Chinese Eastern Railway Administration (hereinafter called the Railway Administration) of the other part.

Whereas the forwarding or permitting others to forward public telegraph messages within the Empire of China is an Imperial prerogative administered by the Telegraph Administration,

and whereas the concession granted by the Imperial Chinese Government to the Railway Administration permits the latter to erect and work such telegraph lines as may be necessary for the working of its railway system, restricting, however, the use of such telegraph lines to the special requirements of the railway service,

and whereas it is considered to be in the mutual interests of the two Administrations to have an understanding regarding the working of the telegraph lines within the sphere comprised under the concession granted to the Railway Administration,

It is therefore mutually agreed upon between the parties hereto, each of them agreeing for and in respect of the acts and observances in and by this agreement made and expressed to be made obligatory upon it, as follows:

ARTICLE 1.—A. In order to facilitate the exchange of telegraphic traffic, the Telegraph Administration will connect the more important railway stations with its own local telegraph stations.

B. At the actual railway stations the Railway Administration undertakes to accept and transmit telegraph messages from the public and will, for those messages destined for places on the railway, or within the Russian Empire, when forwarded exclusively over the Railway and Russian Telegraph lines, charge such rates as may be fixed by the Russian Government, but on all such traffic (both forwarded and received) the Railway Administration will credit the Telegraph Administration a terminal fee of two Mexican Dollar cents per word, it being, however, understood that messages dealing exclusively with the railway service are exempt from all tax, as well as messages to or from Russian telegraph stations transiting the Chinese Eastern Railway telegraph system.

C. All other traffic handed in at the railway stations will be transmitted to the Telegraph Administration's nearest public telegraph station, and on such traffic

* Text as printed in *Soglashenia*, p. 57.
In connection with this agreement see also that of May 23, 1907 (No. 1907/4, *ante*), and Note to this document, *post*, p. 681.

(as well as on that under B specified traffic if handed over to the Telegraph Administration) the Railway Administration will credit the Telegraph Administration full further transmission less five Mexican Dollar cents per word, these five cents being considered as the fee due to the Railway Administration for handling this traffic.

D. The Telegraph Administration will at its various public offices accept telegrams for all places on the railway and will, at its nearest telegraph station, transmit such messages to the Railway Administration for further transmission and credit it five Mexican Dollar cents per word for all such traffic.

ARTICLE II.—The Railway Administration undertakes under no circumstances to establish competition, by lower rates or other means, against the Telegraph Administration, except for traffic destined for those places which are specified in Article I under B when forwarded exclusively over the Railway and the Russian lines.

ARTICLE III.—The rules laid down in the International Telegraph Convention and the Service Regulations attached thereto as to the general treatment of telegraphic messages shall be followed by the contracting parties with regard to all messages handled by them.

ARTICLE IV.—Special accounts of all telegraphic traffic exchanged shall be kept at the stations where such exchange takes place, these accounts to be compared and checked daily.

All telegrams referring to the service or to the settlement of accounts shall be transmitted free of charge.

The settlement of accounts shall take place at the end of each month, and the resulting balance shall be paid two months after the end of the month in account to the Railway Administration in Harbin or to the Telegraph Administration in Shanghai.

The month shall be reckoned according to the European Calendar.

ARTICLE V.—The collection of charges at all the stations as well as the liquidation of the mutual accounts shall be made in Mexican Dollars.

As regards outpayments to Telegraph Administrations beyond China, the collecting rate shall be agreed upon between the contracting parties during the month preceding each quarter on the basis of the average rate of exchange during the three months preceding that during which the rate is fixed.

ARTICLE VI.—During the rebuilding or repairs of any part of the lines belonging to the Telegraph Administration or when it is found necessary to inspect the lines or telegraph stations near the railway, the employés, whether foreign or Chinese, of the Telegraph Administration shall be entitled to a free pass (1-st, 2-nd, or 3-rd class as the case may be) with all trains over the section under construction, repairs or inspection.

The free pass to be returned to the Railway Administration as soon as the work is completed.

All instruments, stores and telegraph material emanating from and destined for telegraph stations belonging to the Telegraph Administration and situated within the sphere of the railway shall be transported by the Railway Administration at three-quarters of the ordinary freight for their respective kinds, but shall

nevertheless be forwarded with the same despatch and care as if paying full freight.

ARTICLE VII.—Neither the Telegraph Administration nor the Railway Administration will engage into their service any person who is engaged or who has within three months previously been engaged on the staff of the other Administration, without in each case obtaining the special consent of the latter.

ARTICLE VIII.—All telegraph lines constructed by the Russian Government in the North of Manchuria outside the railway territory will, at the signing of the present convention, be handed over to the Telegraph Administration at a price mutually agreed upon between the two contracting parties.

ARTICLE IX.—In case that the Japanese and the Russian railway system or railway telegraphs in Manchuria should be connected, it is understood that the Railway Administration will only allow bona fide railway service telegrams to be exchanged over the two systems.

ARTICLE X.—Should there be any discussion regarding the interpretation of the sense as expressed in this agreement, the English text shall, in all cases, be held as the correct one.

The present agreement shall come into force from the 1-st of November 1907 and will remain in force until twelve months after one of the contracting parties shall have given notice of the intention to modify or to abrogate it.

This agreement shall be confirmed by the Russian Minister to Peking and the Chinese Foreign Office.

In witness whereof the undersigned duly authorized to this effect have signed the present agreement.

Done at Peking in the English language and in the Chinese language. Two expeditions, duly compared and found to be in agreement, have been signed in each of these languages on the 7-th day of the month of October 1907 corresponding with the 1-st day of the 9-th moon of the 33-rd year of the reign of Kwang-Hsu.

(Signed) J. CHESHEV. (L. S.)
(Signed) YANG WEN-CHUN. (L. S.)

Read and approved October 2 (15), 1907.

(Sgd.) D. POKOTILOFF. (Seal.)

Signed by the Vice-President of the Wai-wu-pu,

LIANG TUN-YEN.

(Seal of the Wai-wu-pu.)

Note.

With the text of this agreement as given in *Soglashenia* is printed the following letter to the Russian Minister in behalf of the Chinese Telegraph Administration:

"Peking, October 16th, 1907.

"His Excellency
"The Minister for Russia
"Peking.

"Sir:

"In connection with the Telegraph Convention made between the Imperial Chinese Telegraph Administration and the Russian Chinese Eastern Railway Administration, which

convention was ratified by Your Excellency and the Wai-wu-pu on the 15th of October, 1907, I hereby on behalf of the Director General of the Imperial Chinese Telegraph Administration beg to confirm the additional verbal arrangement made regarding the future working of the two existing Harbin-Mihailo-Semenovsk telegraph wires, viz.:

"While the two wires in question are the actual property of the Imperial Chinese Telegraph Administration and are under its absolute management and control, it is hereby agreed that if the Railway Administration at a future date should for the sake of the exchange of bona fide service telegrams, consider it necessary to lease one of the two wires, the Telegraph Administration will agree to place one of these wires at the disposal of the Railway Administration on conditions hereafter to be agreed upon between the two parties concerned.

"I have the honor, etc.

"(Signed) F. N. Dresing,
"*Foreign Adviser and Chief Superintendent*
Imperial Chinese Telegraph Administration."

NUMBER 1907/18.

INTERNATIONAL AND CHINA.

Conventions and declarations of the First and Second Hague Peace Conferences.—July 29, 1899, and October 18, 1907.

[The international acts concluded at the First Peace Conference at The Hague, under date of July 29, 1899, and those concluded at the Second Conference, under date of October 18, 1907, appear not to have such a particular interest in reference to China as to warrant their inclusion in the present compilation. The texts (in English translation) are to be found in *The Hague Conventions and Declarations of 1899 and 1907*, edited by James Brown Scott (Carnegie Endowment for International Peace, Division of International Law: New York: Oxford University Press; 1915), and in *Malloy*, pp. 2016-2057, and 2220-2389.

The action taken by the Chinese Government in reference to the several acts of those conferences is indicated by the following table (condensed from those given in Scott, *op. cit.*, pp. 229 and 240):

(I) Convention I of 1899 for the Pacific Settlement of International Disputes.†
Signature, July 29, 1899; ratification, November 21, 1904.
Convention I of 1907 for the Pacific Settlement of International Disputes.†
Signature, October 18, 1907; ratification, November 27, 1909.

(II) Convention II of 1907 respecting the Limitation of the Employment of Force for the Recovery of Contract Debts.
Adherence, January 15, 1910.

(III) Convention III of 1907 relative to the Opening of Hostilities.
Adherence, January 15, 1910.

(IV) Convention II of 1899 respecting the Laws and Customs of War on Land.
Adherence, June 12, 1907.
(China neither signed nor adhered to the similar convention of 1907.)

(V) Convention V of 1907 respecting the Rights and Duties of Neutral Powers and Persons in Case of War on Land.
Adherence, January 15, 1910.

(VI) Convention VI of 1907 relating to the Status of Enemy Merchant Ships at the Outbreak of Hostilities.
(China neither signed nor adhered.)

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† In connection with the conventions for the pacific settlement of international disputes, it is to be noted that China is a party to the following conventional acts with particular Governments: With Brazil, Arbitration Convention, August 3, 1909 (No. 1909/5, *post*); with the Netherlands, Treaty providing for obligatory arbitration, June 1, 1915 (No. 1915/9, *post*); with the United States, Arbitration Convention, October 8, 1908 (No. 1908/14, *post*), and Treaty for the advancement of the general cause of peace, September 15, 1914 (No. 1014/10, *post*).

(VII) Convention VII of 1907 relating to the Conversion of Merchant Ships into War-Ships.
(China neither signed nor adhered.)

(VIII) Convention VIII of 1907 relative to the Laying of Automatic Submarine Contact Mines.
(China neither signed nor adhered.)

(IX) Convention IX of 1907 concerning Bombardment by Naval Forces in Time of War.
Adherence, January 15, 1910.

(X) Convention III of 1899 for the Adaptation to Maritime Warfare of the Principles of the Geneva Convention.
Signature, July 29, 1899; ratification, November 21, 1904.

Convention X of 1907 for the Adaptation to Maritime Warfare of the Principles of the Geneva Convention.
Signature, October 18, 1907, and ratification, November 27, 1909, under reservation of Article 21.

(XI) Convention XI of 1907 relative to certain Restrictions with regard to the Exercise of the Right of Capture in Naval War.
(China neither signed nor adhered.)

(XII) Convention XII of 1907 relative to the Creation of an International Prize Court.
(China neither signed nor adhered.)

(XIII) Convention XIII of 1907 concerning the Rights and Duties of Neutral Powers in Naval War.
Adherence, January 15, 1910, with reservation of paragraph 2 of Article 14, paragraph 3 of Article 19, and Article 27.

(XIV) Declaration 1 of 1899 to prohibit the Launching of Projectiles and Explosives from Balloons.
Signature, July 29, 1899; ratification, November 21, 1904.

Declaration XIV of 1907 prohibiting the Discharge of Projectiles and Explosives from Balloons.
Signature, October 18, 1907; ratification, November 27, 1909.

(XV) Declaration 2 of 1899 concerning Asphyxiating Gases.
Signature, July 29, 1899; ratification, November 21, 1904.

(XVI) Declaration 3 of 1899 concerning Expanding Bullets.
Signature, July 29, 1899; ratification, November 21, 1909.

(XVII) Final Act of the First International Peace Conference at The Hague.
Signature, July 29, 1899.†

Final Act of the Second International Peace Conference at The Hague,
Signature, October 18, 1907.†]

NUMBER 1907/19.

CHINA.

Experimental regulations for the collection of duty on native and foreign goods shipped to the new ports in Manchuria.—November 19, 1907.*

I.—All foreign goods which have paid the regular import duty at Tientsin, New-chwang, Antung, or Dalny, as well as all native goods which have paid the coast-trade half-duty (except such as may be sent into the interior either under transit pass or by paying likin, as may still be done at the discretion of the owner and under the old regulations) and which are intended for transhipment to any of the newly opened ports in Manchuria, will be given a special certificate

* Translation, as printed in *For. Rel.*, 1908, p. 127, from Chinese text.
In connection with these regulations, see the additional agreement between Japan and China, December 22, 1905 (No. 1905/18, *ante*), particularly Article 1.

† The final acts being summaries of the proceedings of the conferences, are not conventional agreements and accordingly are not ratified.

exempting them from the payment of further duty, and this is irrespective of how such goods are to be transhipped to their destination. This special certificate will be stamped in accordance with regulations, and will be good for two months only.

Whenever such certificates are applied for, a signed declaration must be presented showing to what port the goods are consigned, and stating that in case evidence of the arrival of the goods in the port mentioned is not forthcoming within the two months limit, the applicant will be willing to forfeit three times the amount of the half-duty. In order to avoid the trouble of preparing a guarantee on each occasion, however, it will be permissible to draw up a bond of a similar nature which will hold for a year, and to deposit the same in the Customs-house. Such bond, if presented by a foreigner, must be sealed by a consular officer, and if presented by a Chinese, must be sealed by the Commissioner of Customs. If a yearly bond is not furnished, then a signed declaration made for each shipment will suffice. The forms for these bonds and declarations shall be determined upon by the Imperial Maritime Customs.

II.—In all cases where goods are shipped to the newly opened ports under special certificate, such goods must correspond exactly with the declaration.

In case of any discrepancy or of the shipment of any goods not on the declaration, not only will the Customs-house where such declaration was made collect a fine amounting to three times the half-duty levied upon the entire shipment, but the goods which have been shipped to the newly opened port will there be confiscated.

NUMBER 1908/1.

GERMANY (Deutsch-Asiatische Bank), GREAT BRITAIN (Chinese Central Railways, Limited) AND CHINA.

Agreement for the Imperial Chinese Government five per cent Tientsin-Pukou Railway loan.—January 13, 1908.*

This Agreement is made at Peking on the 10th day of the 12th Moon of the 33rd year of Kuang Hsü, corresponding to the 13th day of January, 1908, and the contracting parties are:

His Excellency Liang Tunyen, Acting Junior Vice President of the Wai-wu Pu, duly authorized to act on behalf of the Imperial Government of China, of the one part, and (*a*) the Deutsch-Asiatische Bank, Shanghai, (*b*) the Chinese Central Railways, Limited, London, hereinafter called "The Syndicate," of the other part.

ARTICLE I.—The Imperial Government of China authorizes the Syndicate to issue a 5% Gold Loan for an amount of five million pounds sterling (£5,000,000.00). The loan shall be of the date on which the first series of bonds is issued

* Text as printed in *Wang*, p. 395. See Note to this document, *post*, p. 694.

to the public and shall be called the "Imperial Chinese Government Five Percent Tientsin-Pukou Railway Loan."

ARTICLE II.—The loan is designed to provide capital for the construction of a government railway line from a point connecting the Imperial Railways of North China at or near Tientsin through Techou and Tsinanfu to Ihsien near the southern frontier of Shantung, hereinafter known as the Northern Section of the Tientsin-Pukou Railway Line, and from Ihsien to a point at or near Pukou (opposite Nanking on the Yangtze-kiang), hereinafter known as the Southern Section of the Tientsin-Pukou Railway Line. The total length of these two sections being about 1085 kilometres, equal to about 2170 Chinese Li. The survey line shall be open to revision by the Director General of the Railway.

ARTICLE III.—The capital so provided shall be solely devoted to the construction of the railway line including the purchase of land, rolling stock and other equipment, and to the working of the line and to payment of interest on the loan during the period of construction, which is estimated at four years from the actual beginning of the works, the commencement of the works not to be delayed beyond six months after this agreement has been signed, within which period the Syndicate shall notify the Director General that the sum of five hundred thousand pounds (£500,000.00) has been placed at his disposal, to be held in Europe or remitted to China as he may direct, as a first instalment on account of the proceeds of the loan. This amount of £500,000.00, or whatever portion thereof is actually advanced, together with interest thereon not exceeding a charge of six percent per annum, shall be deducted from the proceeds of the first sale of the bonds.

ARTICLE IV.—The rate of interest for the loan shall be five per cent per annum on the nominal principal and shall be paid to the bondholders half-yearly. The said interest shall be calculated from the date on which the loan is issued to the public and shall be paid by the Imperial Chinese Government during the time of construction either from the proceeds of the loan or from other sources, and afterwards, in the first place, out of the revenue of the Railway, and then from such other revenues as the Chinese Government may think fit to use for the purpose in half-yearly instalments according to the amounts specified in the schedule attached to this agreement and fourteen days before their due dates, Western Calendar, as calculated half-yearly from the date on which the loan is issued to the public.

ARTICLE V.—The term of the loan shall be thirty years. Repayment of principal shall commence after the expiry of ten years from the date of the loan and except as provided in Article VI. hereinafter, shall be made by yearly amortization to the Deutsch-Asiatische Bank and the Hongkong and Shanghai Banking Corporation in half-yearly instalments out of the revenues of the line or such other revenue as the Chinese Government may think fit to use for the purpose, according to the amount specified in the schedule attached to this agreement, but fourteen days before their due date, Western Calendar, as calculated half-yearly, from the date on which the loan is issued to the public.

ARTICLE VI.—If at any time after the lapse of ten years from the date of the loan the Imperial Chinese Government should desire to redeem the whole

outstanding amount of the loan, or any part of it, not yet due for repayment in accordance with the schedule of repayments hereto attached, it may do so until the 20th year, by payment of a premium of 2½ per cent. on the face value of the bonds (that is to say, by payment of £102. 10s. for each £100 bond) and after the 20th year without premium; but in each and every case of such extra redemption, the Imperial Chinese Government shall give six months notice in writing to the Syndicate and such redemption shall be effected by additional drawings of bonds, to take place on the date of an ordinary drawing, as provided for in the prospectus of the loan.

ARTICLE VII.—The Deutsch-Asiatische Bank and the Hongkong and Shanghai Banking Corporation having been appointed by the German and British parties of the Syndicate, respectively, Agents for the service of the loan, the half-yearly payments due for amortisation and interest, referred to in Articles IV. and V., shall be made, in accordance with the amounts of the Schedule attached to this Agreement, and fourteen days before their due dates as fixed by Articles IV. and V., to those Banks by the Director General of the Railway, who shall hand to said Banks in Shanghai or in Tientsin fourteen days before the said due dates, in shares to be arranged by the Banks, funds in Shanghai or Tientsin sycee sufficient to meet such payments in gold in Europe, exchange for which shall be settled with the said Banks on the same day, the Railway Administration having, however, the option of settling exchange with the two banks at any date or dates within six months previous to any due date for the repayment of interest and principal. These payments may, however, be made in gold, if the Imperial Chinese Government should happen to have gold funds *bonâ fide* at their disposal in Europe not remitted from China for the purpose and desire so to use them.

In reimbursement of expenses connected with the payment of interest and the repayment of principal of the loan, the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank will receive a commission of one quarter per cent. on the annual loan service.

ARTICLE VIII.—The Imperial Government of China hereby engages that the interest and principal of this loan shall duly be paid in full, and should the revenue of the Railway and/or the proceeds of the loan not be sufficient to provide for the due and full payment of interest and repayment of principal, the Director General shall memorialize the Throne and the Imperial Government of China will thereupon make arrangements to ensure that the amount of the deficiency shall be met from other sources and handed over to the banks on the date upon which funds are required, to complete full payment of interest and repayment of principal.

ARTICLE IX.—The loan is hereby secured:

1. By likin and internal revenues of the province of Chihli to the amount of 1,200,000 Haikuan taels a year.

2. By likin and internal revenues of the province of Shantung to the amount of 1,600,000 Haikuan taels a year, and

3. By the revenue of the Nanking likin collectorate (to the amount of 900,000 Haikuan taels a year) and of the Huai-an native customs (to the amount of 100,000 Haikuan taels a year) in the province of Kiangsu.

The provincial revenues as above stated are hereby declared to be free from all other loans, charges or mortgages.

So long as principal and interest of the loan are regularly paid, there shall be no interference with these provincial revenues; but if the principal or interest of the loan be in default at due date, then, after a reasonable period of grace, likin and suitable internal revenues of the three provinces sufficient to provide the amounts above stated shall forthwith be transferred to and administered by the Imperial Maritime Customs, in the interest of the bondholders. And so long as this loan or any part thereof shall remain unredeemed, it shall have priority both as regards principal and interest over all future loans, charges and mortgages charged on the above-mentioned revenues of the three provinces. No loan, charge or mortgage shall be raised or created which shall take precedence of, or be on equality with this loan, or which shall in any manner lessen or impair its security over the revenues of the three provinces as above stated; and any further loan, charge or mortgage charged on the said revenues of the three provinces shall be made subject to this loan, and it shall be so expressed in every agreement for every such future loan, charge or mortgage.

It is understood and agreed that so long as this loan is unredeemed the railway shall under no circumstances be mortgaged nor its receipts given as security to any other party.

In the event of the Chinese Government, during the currency of this loan, entering upon definite arrangements for the revision of customs tariff accompanied by stipulations for the decrease or abolition of likin, it is hereby agreed, on the one hand that such revision shall not be barred by the fact that this loan is secured by likin and provincial revenues, and, on the other hand, that whatever likin is required to provide the security of this loan shall neither be decreased nor abolished except by previous arrangement with the Syndicate, and then only in so far as an equivalent is substituted for it in the shape of a first charge upon the increase of customs revenue consequent upon such revision.

Article X.—The Syndicate is hereby authorized to issue to the subscribers to the loan, Bonds for the total amount of the loan for such amounts as may appear advisable to the Syndicate. The form of the Bonds shall be settled by the Syndicate in consultation with the Director General or the Chinese ministers in London and Berlin. The Bonds shall be engraved in English or Chinese and German as may be required; they shall bear the facsimile of the signature of the Director General and of his Seal of Office, in order to dispense with the necessity of signing them all in person. But the Chinese Minister in London or Berlin, as the case may be, shall, previous to the issue of any Bonds, put his seal upon each Bond with a facsimile of his signature, as a proof that the issue and sale of the bonds are duly authorized by, and binding upon, the Imperial Chinese Government, and the representatives of the Syndicate in London and/or Berlin shall countersign the bonds as agents for the issue of the loan.

In the event of bonds issued for this loan being lost, stolen or destroyed, the Syndicate shall immediately notify the Director General and the Chinese Minister in London and/or Berlin, as the case requires, who shall authorize the Syndicate to insert an advertisement in the public newspapers notifying that payment of same

has been stopped and to take such other steps as may appear advisable or necessary according to the laws and customs of the country concerned, and should such bonds not be recovered after a lapse of time to be fixed by the Syndicate, the Director General or the Chinese Minister in London or Berlin, as the case may be, shall seal and execute duplicate bonds for a like amount and hand them to the Syndicate, by whom all expenses in connection therewith shall be defrayed.

Article XI.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts during the currency of this loan.

Article XII.—All details necessary for the prospectus and connected with the payment of the interest and repayment of the principal of this loan, not herein explicitly provided for, shall be left to the arrangement of the Syndicate in consultation with the Chinese Ministers in London and Berlin. The Syndicate is hereby authorized to issue the prospectus of the loan as soon as possible after the signing of this Agreement; and the Imperial Government will instruct the Chinese Ministers in London and Berlin to co-operate with the Syndicate in any matters requiring conjoint action and to sign the prospectus of the loan.

Article XIII.—The loan shall be issued to the public in two or more series of bonds, the first issue to be made to the amount of £3,000,000 as soon as possible after the signature of this agreement and not later than twelve months from the date thereof. The price to the Imperial Chinese Government of the first series of bonds shall be 93 per cent. of their nominal value. The second and any subsequent series shall be issued in time to permit of uninterrupted continuance of the work of construction, in amounts to be determined by the Director General, and the price payable to the Chinese Government in respect of these series shall be the actual rate of their issue to the public, less flotation charges of 5½ points retainable by the Syndicate (that is to say, a charge of £5 10s. 0d. for every £100 bond issued). Subscriptions will be invited by the Syndicate in Europe and in China both from Chinese and Europeans on equal conditions, preference being given to the application of the Chinese Government, provided such application be made before the issue of the prospectus to the public.

Article XIV.—The proceeds of the loan shall be paid to the credit of the Tientsin-Pukou Government Railway account with the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank in China, London or Berlin, as the case may be. Payments of loan proceeds into the credit of this account shall be made in instalments and on dates conforming to the conditions allowed to the subscribers to the loan. Interest at the rate of 4 per cent. per annum shall be granted on the credit balance of the portion of this account kept in London and Berlin, and interest on the credit balance of the portion kept in China will be allowed at the Banks' rates for current account or fixed deposits, as the case may be, to be arranged. After deduction of the funds required for the service of interest and for commission on this service during the time of construction, the Banks will hold the net proceeds with accrued interest to the order of the Director General, who, in ordering payment of any sums exceeding £20,000 shall give notice to the Banks ten days before the day on which they are required. Requisitions on the loan funds will be drawn in amounts to

suit the progress of construction of the Railway by orders on the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank respectively, signed by the Managing Director of the Railway, or, in his absence, by his duly authorized representative, and accompanied by his certificates stating the nature and cost of the work to be paid for.

Such amounts as may be required in China may at any time be transferred by the Managing Director, at his discretion, to Shanghai, the transfers being effected through the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank respectively, and the transferred funds shall remain on deposit with those banks until required for railway purposes.

The accounts of the railway will be kept in Chinese and English in accordance with accepted modern methods, and will be supported by all necessary vouchers. During the period of construction the said accounts and vouchers will be open at any time to the inspection of an Auditor, appointed and paid by the Syndicate, whose duties will be confined to certifying to the Syndicate to the due expenditure of the loan funds in accordance with the provisions of Article 3 of this agreement, and to certifying to a monthly statement of the foreign materials purchased by the railway administration under the provisions of Article 18 hereinafter. He will arrange with the Railway Administration that his inspections shall take place on such dates and at such intervals as will enable him to efficiently carry out his duties as herein provided. The Railway Administration will publish annually upon the close of its financial year, a report, in the Chinese and English languages, showing the working accounts and traffic receipts of the Railway, which report shall be procurable by the public on application.

Article XV.—If during the time of construction the net proceeds of the present loan with accrued interest should, after deduction of the sums necessary for the service of interest on the loan, not be sufficient to complete the construction and equipment of the railway line, the amount of deficiency shall be provided, in the first place, from such Chinese funds as may be available so as to permit of the uninterrupted continuance of the work of construction, any balance then uncovered being supplemented by a further foreign loan for the amount required, to be issued by the Syndicate.† The interest and other conditions of such supplementary loan will be the same as in the present Agreement, and the price will be determined as in the case of the second and subsequent issues of the present loan. If after the completion of the line there should be a balance at credit of the railway account, such unused balance will be transferred to the credit of the interest reserve fund hereinafter mentioned in Article 21 as a provision for payments for which the Imperial Chinese Government is responsible under this Agreement.

Article XVI.—If, before the publication of the prospectus for the issue of the loan, any political or financial crises should take place by which the market and the prices of existing Chinese Government stocks are so affected as to render, in the opinion of the Syndicate, the successful issue of the loan impossible on the terms herein named, the Syndicate shall be granted further extension of time, but not beyond 18 months from the date of this Agreement, for the performance of their contract. If within this time limit the first series of the loan shall not

† See the supplementary loan agreement of September 28, 1910 (No. 1910/4, *post*).

have been issued, then this contract shall become null and void, and any advances made by the Syndicate under the provisions of Article 3 shall be repaid by the Chinese Government with accrued interest, but without any other compensation or remuneration whatsoever.

ARTICLE XVII.—The construction and control of the railway will be entirely vested in the Imperial Chinese Government. For the work of construction of the Northern and Southern sections respectively the Imperial Chinese Government will select and appoint fully qualified German and British Chief Engineers, acceptable to the Syndicate. In the event of the Syndicate objecting to any proposed appointment, the cause of such objection shall be definitely stated. These two Chief Engineeers shall be under the orders of the Managing Director, or, in his absence, his duly authorized representative, and will carry out all the wishes of the Railway administration with regard to the plan and construction of the line. In their general conduct they shall pay all due respect to the Director General and the Managing Director. The terms of their respective agreements will be arranged by the Director General at his sole authority.

Whenever appointments are to be made or functions are to be defined of the technical employés on the railway staff as well as in the case of their dismissal, the Managing Director or, in his absence, his duly appointed representative, will act in consultation with the Chief Engineer of the section concerned and, in the case of disagreement, the matter will be referred to the Director General whose decision shall be final.

After completion of construction the Imperial Chinese Government will administer both sections as one undivided Government Railway and will appoint an Engineer-in-Chief,—who during the period of the loan shall be a European,—without reference to the Syndicate.

ARTICLE XVIII.—For the Northern and Southern sections of the Railway respectively the Deutsch-Asiatische Bank and the Chinese Central Railways Limited will act as Agents of the Railway Administration during construction for the purchase of all materials, plant and goods required to be imported from abroad. For all important purchases of such materials, tenders shall be called for by the Managing Director; in the case of all tenders, indents and orders for the importation of goods and materials from abroad, the said Agents shall purchase the materials required on the terms most advantageous to the Railway, and shall charge the original net cost of the same plus a commission of five per cent. It is understood that no orders for materials shall be executed or any expenditure incurred without due authorization by the Managing Director.

In return for payment of commission as above stated the Deutsch-Asiatische Bank and the Chinese Central Railways Limited as Agents within their respective sections, shall be prepared to superintend the purchase of all foreign materials required for the construction and equipment of the Railway, which shall be purchased in the open market at the lowest rate obtainable, it being understood that all such materials shall be of good and satisfactory quality, and that the Railway Administration shall have the right to reject on arrival in China materials which do not come up to specifications. At equal rates and qualities goods of German and British manufacture shall be given preference over other goods of foreign

origin for the Northern and Southern sections respectively. The Railway Administration reserves the right, while paying the above stipulated commission to the said Agents in respect of all purchases of foreign materials, to avail itself of the services of other agents in China or abroad should it see fit to do so. Original invoices and inspector's certificates are to be submitted to the Managing Director; all return commissions and rebates of every description shall be credited to the Railway; and all purchases made by the Agents on behalf of the Railway shall be supported by manufacturer's original invoices and inspector's certificates.

No commission shall be paid to the Agents except as above provided; but it is understood that the Railway Administration shall provide out of the Railway funds for the remuneration of consulting engineeers whenever their services are engaged.

With a view to the encouragement of Chinese industries, preference will be given, at equal prices and qualities, over British, German or other foreign goods, to Chinese materials and goods manufactured in China. No commission will be paid on purchases of such materials and goods.

It is understood and agreed that after the construction of the line is completed, the Deutsch-Asiatische Bank and the Chinese Central Railways Limited, within their respective sections, will be given the preference for such agency business during the currency of the loan for the supply of foreign materials as the Railway Administration may require, on terms to be hereafter mutually agreed upon.

Article XIX.—Branch lines in connection with the Railway line mentioned in this agreement that may appear profitable or necessary later on shall be built by the Imperial Chinese Government with funds at their disposal from Chinese sources, and if foreign capital is required preference will be given to the Syndicate.

Article XX.—By the preliminary agreement under Imperial sanction a participation of 20 per cent. of the net profits of the Railway had been promised to the Syndicate in remuneration for their general responsibility and services. In commutation of this participation in net profits the Syndicate is granted the right to retain £200,000 out of the first issue of this loan, in instalments and on dates based on, and in proportion to, the terms of subscription to the loan as stated in the prospectus. No further payment in respect of commutation of profits will be allowed on any subsequent series of the loan, or on any supplementary loan.

Article XXI.—After payment of interest and repayment of principal of the loan for any current year, the Railway Administration will deposit with the Deutsch-Asiatische Bank and the Hongkong and Shanghai Banking Corporation in Shanghai or Tientsin any surplus of the net revenue of the railway line for that year up to the amount required to pay the following year's instalments of interest on the loan; the rate of interest on the deposit being arranged with the Banks from time to time with due regard to the conditions of the market.

Article XXII.—The Deutsch-Asiatische Bank and the Chinese Central Railways Limited may, subject to all their obligations under this agreement, transfer or delegate all or any of their rights, powers and discretions thereunder to any German or British Company, Directors, or Agents with power of further

transfer, and sub-delegation; such transfer, sub-transfer, delegation or sub-delegation to be subject to the approval of the Director General.

ARTICLE XXIII.—This Agreement is signed under authority of an Imperial Edict dated this 10th day of the 12th Moon of the 33rd year of Kuang Hsu, corresponding to the 13th day of January, 1908, Western Calendar, which has been officially communicated to the ministers of Great Britain and Germany in Peking by the Wai-wu Pu.

ARTICLE XXIV.—Five sets of this Agreement are executed in English and Chinese, three sets to be retained by the Imperial Chinese Government and two by the Syndicate.

In the event of any doubt arising regarding the interpretation of the Contract the English text shall rule.

Signed at Peking by the contracting parties this 10th day of the 12th Moon of the 33rd year of Kuang Hsu, corresponding to the 13th day of January, 1908, Western Calendar.

[Seal of Waiwupu.] LIANG TUNYEN.

H. CORDES,
For Deutsch-Asiatische Bank.

J. O. P. BLAND,
For Chinese Central Railways Limited,
Their Representative.

TIENTSIN-PUKOU RAILWAY LOAN. £5,000,000 AT 5%, 30 YEARS.

Schedule of payments of interest and repayments of principal.

Years.	Interest.	Principal.	Total principal repaid.	Principal still outstanding.
1	£125,000	.....	.....	£5,000,000
2	125,000	.....	.....	5,000,000
3	125,000	.....	.....	5,000,000
4	125,000	.....	.....	5,000,000
5	125,000	.....	.....	5,000,000
6	125,000	.....	.....	5,000,000
7	125,000	.....	.....	5,000,000
8	125,000	.....	.....	5,000,000
9	125,000	.....	.....	5,000,000

Years.	Interest.	Principal.	Total principal repaid.	Principal still outstanding.
10	125,000	.....	.....	5,000,000
	125,000			
11	125,000	£125,000	£250,000	4,750,000
	125,000	125,000		
12	118,750	125,000	500,000	4,500,000
	118,750	125,000		
13	112,500	125,000	750,000	4,250,000
	112,500	125,000		
14	106,250	125,000	1,000,000	4,000,000
	106,250	125,000		
15	100,000	125,000	1,250,000	3,750,000
	100,000	125,000		
16	93,750	125,000	1,500,000	3,500,000
	93,750	125,000		
17	87,500	125,000	1,750,000	3,250,000
	87,500	125,000		
18	81,250	125,000	2,000,000	3,000,000
	81,250	125,000		
19	75,000	125,000	2,250,000	2,750,000
	75,000	125,000		
20	68,750	125,000	2,500,000	2,500,000
	68,750	125,000		
21	62,500	125,000	2,750,000	2,250,000
	62,500	125,000		
22	56,250	125,000	3,000,000	2,000,000
	56,250	125,000		
23	50,000	125,000	3,250,000	1,750,000
	50,000	125,000		
24	43,750	125,000	3,500,000	1,500,000
	43,750	125,000		
25	37,500	125,000	3,750,000	1,250,000
	37,500	125,000		
26	31,250	125,000	4,000,000	1,000,000
	31,250	125,000		
27	25,000	125,000	4,250,000	750,000
	25,000	125,000		
28	18,750	125,000	4,500,000	500,000
	18,750	125,000		
29	12,500	125,000	4,750,000	250,000
	12,500	125,000		
30	6,250	125,000	5,000,000	.....
	6,250	125,000		

NOTE.—Pending the issue of the final series of this loan in terms of Article 13 of the agreement, the half-yearly interest on the series actually issued shall be calculated *pro rata* in respect to the amounts of such series on the basis of the present schedule for the total amount of £5,000,000, but it shall be so arranged that the dates of payment of the second and any subsequent series shall coincide with those of the first series, in such way that, when all the series have been issued, the half-yearly service of principal and interest of the loan may be brought into line in respect to dates of payment.

Note.

Rockhill, p. 355, reproduces from *China,* 1900, No. 1, p. 175, the text of the following preliminary agreement relating to the construction of a railway between Tientsin and Chinkiang, which was signed May 18, 1899, and ratified May 24, 1899:

Preliminary Agreement for Tientsin-Chinkiang Railway, May 18, 1899.

"This Preliminary Agreement relating to the construction of railways between Tien-tsin and Chinkiang is made between their Excellencies Hsü and Chang, duly authorized to act on behalf of the Imperial Government of China, hereinafter called 'the Imperial Directors,' of the one part; and (*a*) the Deutsch-Asiatische Bank; (*b*) the Hong Kong and Shanghae Banking Corporation for themselves and on behalf of Messrs. Jardine, Matheson, and Co., as Joint Agents for the British and Chinese Corporation (Limited), hereinafter called 'the Syndicate,' of the other part.

"1.—The Imperial Government of China authorizes the Syndicate to issue an Imperial Government 5 per cent. gold loan for an amount of about 7,400,000*l.*, this amount being subject to modification later after the completion of the survey.

"2.—The loan is designed to provide the capital for the construction of Government railway lines from a point at or near Tien-tsin, through Titchow and Tsinanfu to Thsien [*sic.* Ihsien?] near the southern frontier of Shangtung, hereinafter known as the northern part of the Tien-tsin-Chinkiang railway lines, and from Thsien to Kuachao (Chinkiang) on the Yang-tsze Kiang, hereinafter known as the southern part of the Tien-tsin-Chinkiang railway lines, the total length of these lines being about 982 kilom., equal to about 1,800 Chinese *li.*

"3.—The capital so provided will include the funds required for rolling stock and other equipment and for working the lines together with interest on the loan during the period of construction, which is estimated to occupy about five years from the date of the loan, but which will finally be fixed after survey.

"4.—The rate of interest for the loan shall be 5 per cent. per annum on the nominal principal and shall be paid during the time to be fixed for the construction out of the proceeds of the loan, and afterwards out of the revenue of the lines named, in half-yearly instalments, according to the amounts and dates of a Schedule which will be attached to the Final Agreement.

"5.—The term of the loan shall be fifty years. Repayment of principal shall commence in the eleventh year from the date of the loan, and shall be made by a yearly sinking fund in shares to be determined in the Final Agreement to the Deutsch-Asiatische Bank, and the Hong Kong and Shanghae Banking Corporation in yearly instalments out of the revenue of the lines according to the amounts and dates of the Schedule to be attached to the Final Agreement.

"6.—In the event of the Imperial Government of China wishing to redeem, after the lapse of thirty years from the date of the loan, the outstanding amount of the loan, or any portion of it not yet due, from funds *bonâ fide* belonging to the Chinese Government or subscribed by Chinese merchants, the conditions for such redemption must first be arranged with the Syndicate when the time arrives.

"7.—The yearly payments due for amortization and the half-yearly payments due for interest, except as otherwise provided in clause 4, shall be made in accordance with the amounts and dates of a Schedule to be attached to the Final Agreement, in shares to be determined by the Final Agreement, out of the joint net revenues of the railway lines to the Deutsch-Asiatische Bank and the Hong Kong and Shanghae Banking Corporation by the Boards of Commissioners hereinafter mentioned, who shall hand to those banks, at their branches in Shanghae, twenty-one days before the due date named in the Schedule funds in Shanghae Sycee, sufficient to meet such payment in sterling in Europe, the rate of exchange for which shall be settled with those two banks on the same day on a fair basis.

"In reimbursement of expenses connected with the service of interest and principal of the loan, the two banks will receive a commission of one-quarter per cent. on the annual loan service.

"8.—The Imperial Government of China hereby engages that the interest and principal of this loan shall duly be paid in full, and should the revenues of the railways not be sufficient to provide for the due and full payment of interest and repayment of principal of this loan, the Imperial Directors must memorialize the Throne, and the Imperial Government of China will thereupon make arrangements to insure that the amount of deficiency shall be met from other sources and handed over to the banks twenty-one days before the due date of the funds required to complete full payment of interest and repayment of principal.

"This clause to be open to reconsideration in the Final Agreement.

"9.—This entire loan shall be secured by a first mortgage on the permanent way rolling stock and entire property together with the revenue of the lines named in clause 2.

No further loan, charge or mortgage, shall be charged on this security, except with the written consent of the two banks, until the present loan is returned. In the event of default in payment of interest or repayment of principal of this loan on due date the railway lines and property so mortgaged shall be handed over to the Syndicate to be dealt with in such a manner as may be legal and necessary for the full and effective protection of the bondholders. When the loan is completely redeemed, clause 29 of this Agreement shall take effect.

"10.—The Syndicate will be authorized to issue to the subscribers to the loan, bonds for the total amount of the loan in pounds sterling in such form, in such languages, and for such amounts as shall appear advisable to the Syndicate, and these bonds shall be sealed in China by the Imperial Directors and in Europe by the Minister for China, in Berlin or London as evidence that the Imperial Government of China is bound thereby as debtor of the loan. Provision will be made in the Final Agreement for the case of bonds lost, stolen, or destroyed.

"11.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts for ever.

"12.—All details necessary for the prospectus and connected with the service of the interest and repayment of the principal of this loan, not explicitly provided for by the Final Agreement, shall be left to the arrangement of the Syndicate who will be authorized to issue a prospectus of the loan as soon as possible after the signing of the Final Agreement.

"The Imperial Government of China will instruct the Chinese Ministers in Berlin and London to co-operate with the representatives of the Syndicate in any matters requiring conjoint action, and the Chinese Minister in Berlin will sign the prospectus of the loan as required by the Rules of the Berlin Stock Exchange.

"13.—The loan shall be floated in one or more series at the discretion of the Syndicate, due regard being had to the interest of China; but the floating of the loan shall not be delayed more than necessary, subscriptions being invited by the Syndicate in Europe and in China from both European and Chinese on equal conditions.

"14.—The price of the loan shall be 90 per cent. net on the nominal principal to the Chinese Government. The proceeds of the loan shall be paid to the credit of a Tien-tsin–Chinkiang Imperial Government railway account with the Deutsch-Asiatische Bank, Berlin, and to the credit of a Tien-tsin–Chinkiang Imperial Government railway account with the Hong Kong and Shanghae Banking Corporation, London. The payment into the credit of these accounts shall be made in such instalments and on such dates as the conditions allowed to the subscribers to the loan shall admit.

"Interest at a rate to be arranged from time to time shall be granted on the credit balance of the railway accounts.

"After deduction of the funds required for the service of interest and for commission on this service during the time of construction, the Deutsch-Asiatische Bank will hold the proceeds with accrued interest to the order of the Board of Commissioners appointed for the northern part of the Tien-tsin-Chinkiang Railway lines, and the Hong Kong and Shanghae Banking Corporation will hold the proceeds with accrued interest to the order of the Board of Commissioners appointed for the southern part of the Tien-tsin–Chinkiang Railway line. The Commissioners, in drawing the sums necessary for the construction, shall give notice to the banks fourteen days before the day on which they are required.

"15.—If during the time of construction the whole amount of the instalments with accrued interest to be paid by the Syndicate should, after deduction of the sums necessary for the service of interest on the loan, not be sufficient for the construction of the railway lines, the amount of deficiency shall be provided by a supplementary loan to be issued by the Syndicate, the interest and other conditions of which are to be the same as in this Agreement, but the price must be arranged when the time arrives.

"If after the completion of the lines there should be a balance at credit of the Tien-tsin–Chinkiang Railway account, the Syndicate shall transfer such unused balance to the credit of the loan service reserve fund, hereinafter mentioned as a provision for payments to which the Government is bound by clause 8 of this agreement.

"16.—If before the publication of the prospectus for the issue of the loan any political or financial crisis should take place in Europe or elsewhere, by which the markets and the prices of existing Chinese Government stocks are so affected as to render the successful issue of the loan impossible on the terms herein-named, the Syndicate shall be granted such extension of time for the performance of their contract as the circumstances demand, or shall have the right to withdraw from their contract with the Chinese Imperial Government, which shall in that case become null and void.

"17.—The Deutsch-Asiatische Bank on the one side, and the Hong Kong and Shanghae Banking Corporation for themselves and on behalf of Messrs. Jardine, Matheson, and Co., as joint agents for the British and Chinese Corporation (Limited), on the other side, shall take the loan in shares to be agreed upon by the Syndicate, and without responsibility for each other.

"18.—The northern part of the railway lines shall be constructed, equipped, and

worked on behalf of the Imperial Chinese Government by the Deutsch-Asiatische Bank, and the southern part of the railway lines shall be constructed, equipped, and worked on behalf of the Imperial Chinese Government by the British and Chinese Corporation (Limited), under conditions as follows:—For each of these parts a Board of Commissioners shall be appointed to superintend the construction, equipment and working of the railway lines in accordance with regulations to be arranged between the Imperial Directors and the Deutsch-Asiatische Bank and the British and Chinese Corporation (Limited).

"19.—An office shall be provided for the Imperial Directorate, and a head office shall be established for each Board of Commissioners. The Board of Commissioners for the northern and southern parts of the lines respectively appointed to superintend the construction and administration shall each consist of five members: two Chinese managers representing the Imperial Directors and nominated by them, and three European members, namely, a representative of the Bank concerned, the Manager and the Chief Engineer, to be nominated by the Deutsch-Asiatische Bank, and the British and Chinese Corporation (Limited).

"In case any foreign or Chinese members of the Boards of Commissioners do not work well together, it shall be open to the Imperial Directors, the Deutsch-Asiatische Bank, and the British and Chinese Corporation (Limited), to mutually discuss means to arrange and deal with the matter.

"The foreign and Chinese railway staff, including a Ti-tiao, shall be appointed by the Boards of Commissioners, who will report the appointment to the Imperial Directors. In the event of an important appointment the two Chinese members of the Boards may first consult the Imperial Directors.

"The principal members of the railway staff shall be capable and experienced Europeans, but Chinese with sufficient experience in engineering or traffic may also be appointed.

"Foreign and Chinese members of the railway staff shall, in the event of incapacity or misconduct, be dismissed by the Boards of Commissioners, who will inform the Imperial Directors of the same.

"The salaries of the five members of each Board of Commissioners and of the foreign and Chinese railway staff shall be arranged by the Deutsch-Asiatische Bank, the British and Chinese Corporation (Limited), and the Imperial Directors, and paid by the head office of their respective sections.

"20.—The plans, estimates and all matters relating to survey must be submitted for approbation to the Board of Commissioners. The Chief Engineer shall indicate to the Chinese Commissioners the land which it is necessary to purchase, and which must be sufficient for the construction of a permanent way with double lines and dependencies, and the Chinese Commissioners shall thereupon effect such purchases at a price to be based on a scale to be arranged after survey. In the event of the route proposed by the Chief Engineer passing through towns, villages, graveyards, or other points, where much obstruction is encountered, the Chief Engineer will, together with the Board of Commissioners, consider means of diverting the proposed railway route in order to avoid difficulties.

"21.—After completion of the survey and due inquiry as to the prevailing provincial *li-kin* and customs dues, the Imperial Directors will arrange with the Deutsch-Asiatische Bank and the British and Chinese Corporation (Limited), regulations for the payment of *li-kin* and duty upon merchandize and live-stock in transit over the railway lines.

"22.—All materials necessary for the construction and working of the lines obtained either from foreign countries or from other provinces of China and the revenues derived from the railway shall be exempt from duty or taxation of all kinds, and the Imperial Government of China will instruct the customs and *li-kin* authorities accordingly.

"All material, plant and goods, shall be ordered from the Deutsch-Asiatische Bank and the British and Chinese Corporation (Limited), on conditions to be arranged in the Final Agreement.

"The plans, estimates and requisitions for materials shall be submitted to the Board of Commissioners by the Chief Engineer for reference at their discretion to the Imperial Directors, and the same shall be furnished by the Deutsch-Asiatische Bank and the British and Chinese Corporation on the best possible terms.

"Due consideration will be extended to materials from the Hanyang Iron Works, if available when required and of a quality satisfactory to the Chief Engineers of the Syndicate.

"23.—The Deutsch-Asiatische Bank and the British and Chinese Corporation (Limited), shall during the working of the lines maintain the railways, buildings, works, rolling stock and dependencies in good order and condition.

"24.—Branch lines or extensions in connection with the Tien-tsin–Chinkiang Railway lines that may appear profitable or necessary later on shall be the subject of negotiations between the Imperial Directors and the Syndicate.

"25.—The tariff to be introduced by the European Manager shall be approved by the Boards of Commissioners who will take into consideration the tariffs of other existing

railway lines in China, while keeping in view the necessity for attracting traffic. The European Manager may also be instructed to enter into arrangements for tariffs on through traffic over connecting lines. In case of war, foreign or internal, the railway lines shall be reserved in the first instance for the transport of Chinese troops, commissariat and munitions of war under the order of Imperial Directors and at half the ordinary tariff rates, and the railways shall not engage in any service injurious to China. In case of famine, grain will also be transported over the lines at half the ordinary tariff rate under orders of the Imperial Directors.

"26.—All payments made and received in connection with the railway lines will be subject to the control of the Boards of Commissioners, and after the line is working estimates of receipts and expenditure shall be similarly submitted to the Boards. Regular accounts shall be furnished through the Imperial Directors to the Railway and Mining Bureau of the Tsung-li Yamên and the Board of Revenue, Peking. All payments made must be represented by Chinese or foreign vouchers, as the case may be.

"27.—The profits from working completed sections of the railways during the time of construction shall be credited to railway construction account.

"28.—Should any traffic business be apparent later on as likely to benefit the Imperial Government of China and increase the earning power of the railway lines, the Deutsch-Asiatische Bank and the British and Chinese Corporation (Limited) shall represent the same to the Imperial Directors, and request them to obtain the necessary authority to arrange the business.

"29.—The Deutsch-Asiatische Bank and the British and Chinese Corporation (Limited) shall work the lines on behalf of the Imperial Government of China until the present loan is redeemed. As soon as the loan has been completely redeemed, this Agreement shall become null and void, and the railway lines and property named in this Agreement shall be handed over to the absolute disposal of the Chinese Government.

"30.—The annual net revenue is understood to be that resulting from the gross receipts of the passengers and goods traffic and the income from other sources, after deducting all working expenses, including maintenance of the permanent way, repairs and renovation of machinery and rolling stock, and all expenses of administration, besides deducting an amount to be determined by the Deutsch-Asiatische Bank and the British and Chinese Corporation (Limited) as sufficient for accumulating a reserve fund for extraordinary improvements or repairs. Of the surplus of the joint net annual revenue of the northern and southern railway lines, after payment of interest and repayment of principal of the loan, first, a participation of 20 per cent. will be granted to the Syndicate in remuneration for their management of the construction and the working of the railway lines; secondly, an amount equal to 10 per cent. of the gross earnings will be transferred to a loan service reserve fund, deposited with the two Banks, and the remainder will be at the disposal of the Imperial Government of China. An account of the said loan service reserve fund will be rendered yearly to the Railway and Mining Bureau of the Tsung-li Yamên and to the Board of Revenue, and the fund will be drawn upon only in the case of the revenue of the railway lines being insufficient to meet the service of interest and principal of the loan. On redemption of the loan being completed, the balance of this fund will revert to the Chinese Government.

"31.—The powers and authority given and delegated to the Imperial Directors by the Imperial Government of China shall, in the case of their promotion or removal, be transferred to their successors, and the Deutsch-Asiatische Bank, the Hong Kong and Shanghae Banking Corporation, Messrs. Jardine, Matheson, and Co., and the British and Chinese Corporation (Limited) may, subject to all their obligations, transfer or delegate all or any of their rights, powers, and discretions to any German or English Company, Directors, or agents with or without power of further transfer and sub-delegation.

"32.—Differences arising between the Imperial Directors and the Syndicate will be taken up and decided with equity and justice by the Tsung-li Yamên on the one side, and the Minister for Germany and the Minister for Great Britain in China on the other side.

"33.—As soon as possible after the signature of this Agreement the Engineers of the Syndicate will be authorized by the Imperial Chinese Government to survey and report upon the proposed railway lines, when, subject to such report being satisfactory to the Syndicate, this Preliminary Agreement will be ratified by the Syndicate and replaced by a Final Agreement containing all necessary details. Modifications in the conditions of this Preliminary Agreement may be made subject to the consent of both parties.

"34.—The provisions of this Preliminary Agreement shall, immediately after signature, be ratified by an Imperial Edict, which shall be communicated by the Tsung-li Yamên to the Ministers for Germany and Great Britain in Peking.

"35.—Five sets of this Agreement are executed in English and Chinese, one set to be retained by the Tsung-li Yamên, one by the Railway and Mining Bureau, and one by each Contracting Party.

"In the event of any doubt arising regarding the interpretation of the Contract, the English text shall rule."

NUMBER 1908/2.

GREAT BRITAIN (Pekin Syndicate, Ltd.) AND CHINA (Shansi Province).

Agreement for the redemption of the syndicate's mining rights in the Province of Shansi—January 21, 1908.*

In 1898 the Shansi Bureau of Trade and the Pekin Syndicate, Limited, agreed upon twenty regulations for opening mines, working iron, and transporting mine products of all kinds in the province of Shansi. Subsequently in 1905 a supplementary covenant in four articles was entered into by H. E. Sheng, Director General of Railways, and the Pekin Syndicate.†

Difficulties having arisen as to the fulfilment of these covenants and H. E. Ting Pao-chuan, Provincial judge of Shansi Province, having been summoned by imperial command to come to Peking and negotiate for a settlement of all questions connected therewith, now, it has been mutually agreed as follows:

1.—The Shansi Bureau of Trade has now made to the Pekin Syndicate a proposal to redeem these principal and supplementary convenants and the Pekin Syndicate, after discussion, having recognized the earnest desire of the Shansi people to manage their own mining affairs, has consented in the interest of public peace, and international comity, after full consideration of all the circumstances, to allow the province of Shansi to redeem the aforesaid convenants for mining, working of iron and transporting of minerals, in order that the province itself may carry out the work detailed therein.

2.—The Shansi Bureau of Trade undertakes to pay to the Pekin Syndicate in full on the due dates the amount agreed upon for redemption of the aforesaid covenants, namely: Hong-Ping-Hua-Pao taels two millions seven hundred and fifty thousand (H-P-H-P taels 2, 750,000).

3.—The sum mentioned in the foregoing article is to be paid by the Province of Shansi and accepted by the Pekin Syndicate as full indemnity for all claims, losses, and damages of whatsoever kind on the part of the syndicate in connection with the aforesaid covenants. When this amount has all been paid, money spent by the Pekin Syndicate in enterprises in other provinces is no concern of the Province of Shansi.

4.—It is agreed that, of the redemption amount mentioned above, one-half namely Hong-Ping-Hua-Pao taels one million three hundred and seventy-five thousand (H-P-H-P taels 1,375,000) shall be paid in cash on the 21st day of February 1908 and that the balance shall be divided into three equal instalments, each to be paid on the 1st day of the 4th Chinese month of each immediately succeeding year commencing with 1909, namely on the 19th day of May 1909 the first instalment of Hong-Ping-Hua-Pao taels four hundred and fifty-eight

* In reference to the syndicate's rights in the Province of Honan, see the regulations of June 21, 1898 (No. 1898/12, *ante*), and agreement of May 7, 1915 (No. 1915/6, *post*). As to the syndicate's rights in the Taokow-Chinghua Railway, see the agreements of July 3, 1905 (No. 1905/5, *ante*).

† See Note to this document, *post*, p. 700.

thousand three hundred and thirty-three (H-P-H-P taels 458,333); on the 9th day of May 1910 the second instalment of Hong-Ping-Hua-Pao taels four hundred and fifty-eight thousand three hundred and thirty-three (H-P-H-P taels 458,333); and on the 29th April 1911 the third instalment of Hong-Ping-Hua-Pao taels four hundred and fifty-eight thousand three hundred and thirty-four (H-P-H-P taels 458,334).

5.—The redemption amount is to be paid in the Hong-Ping-Hua-Pao taels without any deduction of discount whatsoever. The responsibility for remittance charges between Shansi and Pekin together with the interest on money borrowed in advance for this purpose shall be borne by the Province of Shansi.

6.—This case originated in a request of the Shansi Bureau of Trade which was granted by the Governor of Shansi and afterwards authorized by the Throne on a memorial from the Tsung-li Yamên. Now, since the Province of Shansi is providing funds to redeem and cancel the covenants, the Wai-wu-pu should be moved to instruct the Governor of Shansi to see to it that the money is paid by the Bureau of Trade on the due dates not permitting any excuse.

7.—The Province of Shansi having recovered control of its mining affairs for its own working and the Pekin Syndicate having surrendered all its rights under the principal and supplementary agreements for the opening of mines, working of iron and transport of minerals, the Province of Shansi has no intention whatsoever of raising a foreign loan, but seeing that the Pekin Syndicate has hereby made a complete surrender of all its privileges if by any possible chance the Province of Shansi shall hereafter desire to raise a foreign loan in connection with mines, working of iron, or transporting of minerals, the Province of Shansi shall notify the Pekin Syndicate and if the Pekin Syndicate's proposals are in all respects fair and moderate shall then proceed to further negotiations, otherwise arrangements with others may be made for a loan and neither party shall object.

8.—All that the Pekin Syndicate possesses at Ping-ting-chou in the way of compounds and buildings shall be evacuated and with all machinery now there shall be delivered over to the Bureau of Trade within three months of the signing of this settlement. The Syndicate will surrender any and every property acquired in any of the five areas mentioned in the original convenant.

9.—All claims for compensation on the part of employees of the Syndicate, whether engineers or otherwise, for loss of occupation and prospects shall be borne by the Syndicate.

10.—The amount for indemnity shall be raised in advance by the Bureau of Trade from the people of Shansi by appropriating the whole of the funds of the Shansi Province acreage tax (*mu-chuan*) which is a fund managed by the people as a whole for the general good of the Province and should therefore be used to redeem the mineral resources which are the inheritance of the people as a whole. This acreage tax shall not be changed in character nor reduced so long as any part of the indemnity remains unpaid to the Syndicate. Should the acreage tax prove insufficient for the purpose it shall be supplemented, as required, by the provincial authorities from other funds.

11.—As the original covenant in twenty articles was confirmed by the

Tsung-li Yamên so this document of a settlement should also be confirmed by the Wai-wu-pu and recognized by the British Minister who respectively guarantee its fulfilment by their respective nationals.

12.—Done in English and Chinese this 21st day of January 1908 in duplicate one copy being held as evidence by each party.

Signed on 21st of January 1908.

By Liu Tu Ch'ing,
(*Head of the Shansi Bureau of Trade.*)
George Brown,
(*General Agent Pekin Syndicate.*)

Note.

The text of the supplementary covenant of 1905 is not available: the regulations of May 21, 1898, are reprinted in *Rockhill,* p. 305, from *China,* 1899, No. 1, p. 112, as follows:

Regulations for Mining Purposes, etc., in Shansi, May 21, 1898.

"Regulations agreed upon by the Shansi Bureau of Trade and the Pekin Syndicate for mining purposes, ironworks, and transporting mine products of all kinds in the Province of Shansi.

"1.—The Governor of Shansi having sanctioned the request of the Shansi Bureau of Trade for the special right to open and work coal and iron mines throughout the districts of Yu-hsien and Ping-ting-chou, and the Prefectures of Luan-fu, Tsechow-fu and Ping-wang-fu and also petroleum wherever found, the several concessions granted are now transferred for operation to the Pekin Syndicate for the period of sixty years.

"Mining engineers shall first be sent to find in what township and hills the mines are situated and what they produce, and make maps thereof with explanations inserted which shall be submitted to the Governor of Shansi, that he may see that local conditions present no obstacle to the proposed works; and he shall report thereon to the Tsung-li Yamên for record, and at the same time issue a permit for the mines to be opened without the least delay. If mining lands belong to the people, lease or purchase shall be made by arrangement with the owners for a reasonable price; if it be Government land, the tax to be paid on it shall be double the ordinary land tax for that locality.

"2.—The Governor of Shansi has authorized the Bureau of Trade to negotiate a foreign loan not to exceed 10,000,000 taels. Should the mining engineers employed find this sum insufficient, the Bureau may borrow more only of the Pekin Syndicate.

"3.—All matters of administration, exploitation, employés, and finances shall be controlled by the Board of Directors of the Pekin Syndicate, and the Chief of the Shansi Bureau of Trade shall co-operate.

"4.—Each mine must have one foreign and one Chinese manager, the foreigner to control the works, the Chinese to attend to all matters between natives and foreigners. Accounts will be kept by the foreign system; receipts and payments of money to be controlled by the foreign manager and audited by the Chinese manager. At all mines Chinese should be employed as much as possible. All salaries to be paid by the Syndicate.

"5.—When prospecting for mines, if there be any boring or sinking of pits to examine mineral deposits, an arrangement should first be made with the land-owner to compensate him for any crops injured. If any mine be opened on private land, an arrangement must be made with co-operation of the local officials to lease or buy the land for a price fair to both parties as a measure of justice. Whenever land leased or bought for mines contains cemeteries or mortuary shrines, some plan must be devised to avoid them; there must be no excavation. After mines are opened, should there be damage to life or buildings from subsidence in the mines, the Syndicate shall make charitable compensation.

"6.—Wherever mines are worked there shall be paid yearly to the Chinese Government as producers tax (*'lo-ti-shui'*) 5 per cent. on the cost of extracting the output of the mines. From the profits shown by the yearly accounts there shall first be paid 6 per cent. on the capital employed, and next 10 per cent. shall be set aside as a sinking fund for yearly repayment of capital and consequent reduction of interest, payments to sinking fund ceasing when the invested capital is wholly repaid; and from the remaining net profit 25 per cent. shall be paid to the Chinese Government, and the remainder shall go

to the Syndicate for its own disposition. In future, wherever capital is used to work coal or iron mines in China this rule for a 5 per cent. Government tax on the output shall be enforced, so that all may be treated alike. This capital being money lent by merchants for mining purposes, the Chinese Government will not in any way be responsible for losses incurred in the business.

"7.—The area of the mineral districts of Yu-hsien, Ping-ting-chou, Tsechou-fu, Luan-fu is very extensive, and many mines may be worked therein. But the accounts and profits of each mine must be kept distinct from the others; the gains of one mine should not be made to offset the losses of another, and so cause the Government income to suffer reduction.

"8.—All machinery, materials, and supplies needed for the mines shall on importation be subject to the rules in force with the Kaifung and other mining Companies, and pay one custom duty and a half to the maritime customs, and shall be exempt from all inland *li-kin* taxes. The products of the mines when exported from a seaport shall pay export duty according to the Customs Tariff.

"9.—The Syndicate is to control the mines for sixty years, on expiration of which term all the mines of the Syndicate, whether new or old, profitable or not, shall, with all plant, materials, buildings, land, railways, bridges, and all property acquired by the capital of the mines, be handed over gratis to the Chinese Government, and in due time the Bureau shall request the Governor of Shansi to send Deputies to take delivery.

"10.—It is important that at each mine measures should be taken to prevent discord between officials and people. For this purpose the Bureau should request the Governor to appoint a Deputy, and the Syndicate should nominate one of the gentry, the salaries of both to be paid by the Syndicate.

"11.—On first opening of the mines foreigners must, of course, be employed as mining engineers and foremen, but later on the Bureau and the Syndicate should arrange to select for such positions any Chinese who may be proficient in mining, engineering, or managing work. For subordinate positions of little responsibility Chinese should be entirely employed, and Shansi natives as much as possible, so as to encourage improvement.

"12.—The miners employed should be chiefly Shansi men, and should be paid fair wages. After the mines are opened the Bureau and the Syndicate should select from European and American Mining Regulations suitable ones to apply to questions of compensation to miners for injuries while at work, to pensions for the aged after long service, the limit of daily working hours, &c., and obtain for such Regulations the approval of the Governor.

"13.—In opening the mines the Syndicate shall establish a school of engineering on mining in some locality convenient to the mines, and there shall be selected twenty or thirty promising youths by the local officials and gentry to study in this school under foreign instructors, and thus prepare for future employment on railways and in mines. The expenses for this school to be met by the Syndicate.

"14.—The 10,000,000 of silver taels to be loaned to the Bureau of Trade by the Pekin Syndicate is an estimated sum. After the capital necessary for opening each mine has been supplied by the Syndicate, the Syndicate will be authorized to print shares, certificates, and conditions for the capital furnished, and fix the time of sale. Chinese merchants who apply for shares within a fixed time shall be allowed to buy of shares for sale any number they wish.

"15.—Chinese merchants who wish to buy shares may get them from the Bureau, who will procure them at current market rates; or they may themselves buy or sell the shares at pleasure. If any Chinese gentry or merchants shall, within the term of sixty years, acquire three-fourths of all the shares of any one mine, that mine may then be redeemed from the Syndicate, and the Bureau shall report upon same, and direct that shareholder to take charge of the mine.

"16.—If within the area authorized for opening mines there be mines already worked by the people, such private mines shall not be appropriated, but if a proprietor be willing to lease or sell his mine the Bureau and the Syndicate shall offer a reasonable price for it, but no compulsion shall be used.

"17.—Whenever it may be necessary for any mine to make roads, build bridges, open or deepen rivers or canals, or construct branch railways to connect with main lines or with water navigation to facilitate transport of Shansi coal, iron, and all other mineral products from the province, the Syndicate on reporting to the Governor of Shansi is authorized to proceed with the works, using its own capital, without asking for Government funds. Regulations for branch railways are to be made in due time. With reference to the Chengting to Taiyuan Railway, for the construction of which the Bureau has borrowed capital from others, the Pekin Syndicate, to avoid disputes, shall not construct any railway within 100 *li* on each side of it. Private land required for the works authorized as above shall be leased or bought according to the Rules already in force with other public Companies. No encroachment of private property shall be allowed, and the local authorities must be applied to for protection.

"18.—At the end of every year a printed account of profit and loss shall be rendered

by each mine to the Bureau, and each mine shall appoint one Chinese and one foreign auditor to examine the accounts and certify that they are correct; and a general account of profit and loss for all the mines shall be jointly prepared and submitted to the Governor, who will send copies to the Tsung-li Yamên and Board of Revenue for audit. Payments due to the Government shall be reported at the same time.

"19.—These mines being under the sovereignty of China, should China ever be at war with another country, the Syndicate will obey the orders of the Chinese Government prohibiting any aid to the enemy.

"20.—These Regulations shall be made out both in Chinese and foreign text; each party to have a copy for reference.

"Signed in Peking on this 21st day of May, 1898, being the second day of the fourth month of the twenty-fourth year of the Emperor Kuang Hsü.

"Seals of Mr. A. Luzzatti, General Agent of the Pekin Syndicate (Limited), and of the Shansi Bureau of Trade."

NUMBER 1908/3.

GREAT BRITAIN (British & Chinese Corporation, Limited) AND CHINA.

Agreement for the Imperial Chinese Government five per cent. Shanghai-Hangchow-Ningpo Railway Loan.—March 6, 1908 .*

This Agreement is made at Peking on the fourth day of the second month of the thirty-fourth year of Kuang Hsu, corresponding to the sixth day of March 1908, and the contracting parties are:—

The Waiwupu (Board of Foreign Affairs) and

The Yuchuanpu (Board of Communications), acting under the authority of an Imperial Decree, of the one part, and the British and Chinese Corporation, Limited (hereinafter called "The Corporation") of the other part.

ARTICLE 1.—The Imperial Government of China authorizes the Corporation to issue a five per cent gold loan for the amount of £1,500,000 sterling. The loan shall be of the date on which it is issued to the public and shall be called "The Imperial Chinese Government five per cent Shanghai-Hangchow-Ningpo Railway Loan."

ARTICLE 2.—The loan is designed to provide capital for the construction of a railway line (hereinafter called "the railway") from a point connecting with the Shanghai-Nanking Railway at or near Shanghai in Kiangsu to the cities of Hangchow and Ningpo in Chekiang. The railway shall follow a line from Shanghai through Fengchingchen to Kahsingfu; and thence to Hushu and Hangchow; and thence from Chiangkan to Ningpo, on which line certain construction work has already been locally undertaken under authority of the Imperial Chinese Government.

The survey line shall be open to revision by the Yuchuanpu.

ARTICLE 3.—The Chinese Government guarantees that the capital so provided shall be solely devoted to the construction of the railway including the

* Text as printed in *Wang*, p. 467. Printed also in *"China's foreign railway agreements,"* in supplement, November, 1909, *F. E. Review*, vol. V, p. 127. See Note to this document, *post*, p. 711.

purchase of rolling stock and other equipment and to the working of the line during construction; it is understood, however, that the cost of the land required for the railway and the payment of interest on the Loan during construction are not to be met out of Loan funds, but will be paid by the Imperial Chinese Government from other sources. It is understood that the railway will be completed within three years from the date of signature of this Agreement; and that within a period of six months from that date the Corporation shall notify the Yuchuanpu that the sum of £100,000 has been placed at their disposal, to be held in Europe or remitted to China as they may direct, as a first instalment on account of the proceeds of the Loan. This amount of £100,000, or whatever portion thereof is actually advanced, together with interest thereon not exceeding a charge of six per cent per annum, shall be deducted from the proceeds of the sale of the bonds.

Article 4.—The rate of interest for the Loan shall be five per cent per annum on the nominal principal and shall be paid to the bondholders half-yearly. The said interest shall be calculated from the date on which the Loan is issued to the public and shall be paid by the Imperial Chinese Government during the time of construction from Chinese sources, and afterwards, in the first place out of the revenues of the railway, and should these be insufficient then from the surplus earnings of the Imperial Railways of North-China (excluding the section of the Hsinmintun-Mukden line to the East of the Liao River) and thereafter, if necessary, from such other revenues as the Chinese Government may see fit to use for the purpose, in half-yearly instalments according to the amounts specified in the schedule attached to this Agreement and fourteen days before their due dates, Western Calendar, as calculated half-yearly from the date on which the Loan is issued to the public.

Article 5.—The term of the Loan shall be thirty years. Repayment of principal shall commence after the expiry of ten years from the date of the Loan, and, except as provided in Article 6 hereinafter, shall be made by yearly amortisation to the Hongkong and Shanghai Banking Corporation in half-yearly instalments, out of the revenues of the railway, and should these be insufficient, then from the surplus earnings of the Imperial Railways of North-China (excluding the section of the Hsinmintun-Mukden line to the East of the Liao River) and thereafter, if necessary, from such other revenues as the Imperial Chinese Government may think fit to use for the purpose, according to the amounts specified in the schedule attached to this Agreement, and fourteen days before their due dates, Western Calendar, as calculated half-yearly from the date on which the Loan is issued to the public.

Article 6.—If at any time after the lapse of ten years from the date of the Loan, the Imperial Chinese Government should desire to redeem the whole outstanding amount of the Loan, or any portion of it, not yet due for repayment in accordance with the schedule of repayments hereto attached, it may do so until the twentieth year by payment of a premium of 2½ per cent on the face value of the bonds (that is to say, by payment of £102.10/- for each £100 bond) and after the twentieth year, without premium; but in each and every case of such extra redemption the Imperial Chinese Government shall give six months

notice in writing to the Corporation, and such redemption shall be effected by additional drawings of bonds, to take place on the date of an ordinary drawing as provided for in the prospectus of the Loan.

ARTICLE 7.—The Hongkong and Shanghai Banking Corporation having been appointed by the British and Chinese Corporation, Limited, Agents for the service of the Loan, the half-yearly payments due for amortization and interest, referred to in Articles 4 and 5, shall be made in accordance with the amounts of the schedule attached to this Agreement, and fourteen days before their due dates, as fixed by Articles 4 and 5, to the Hongkong and Shanghai Banking Corporation by the Yuchuanpu or its duly appointed representative, who shall hand to the said Bank in Shanghai, fourteen days before the said due dates, funds in Shanghai sycee sufficient to meet such payments in sterling in London, exchange for which shall be settled with the Bank; the Yuchuanpu, or its duly appointed representative, having, however, the option of settling exchange with the Bank at any date or dates within six months previous to any due date for the repayment of interest and principal. These payments may, however, be made in Gold if the Imperial Chinese Government should happen to have Gold funds "bona fide" at their disposal in Europe, not remitted from China for the purpose, and desire so to use them.

In reimbursement of expenses connected with the payment of interest and the repayment of principal of the Loan, the Hongkong and Shanghai Banking Corporation will receive a commission of one quarter per cent on the annual Loan service.

ARTICLE 8.—The Imperial Government of China hereby engages that the interest and principal of this Loan shall duly be paid in full, and should the revenues of the Railway, together with the surplus earnings of the Imperial Railways of North China (excluding the section of the Hsinmintun-Mukden line to the East of the Liao River) not be sufficient to provide for the due and full payment of interest and repayment of principal, the Yuchuanpu shall memorialize the Throne and the Imperial Government of China will thereupon make arrangements to ensure that the amount of deficiency shall be met from other sources and handed over to the Bank at the date upon which funds are required to complete full payment of interest and repayment of principal.

ARTICLE 9.—The Loan is hereby secured upon the surplus earnings of the Imperial Railways of North China (excluding the section of the Hsinmintun-Mukden line to the East of the Liao River), that is to say, that after deducting from the net earnings of that railway the amounts required to meet the payments of interest and repayments of principal due in terms of the Agreement of 10th October, 1898 (Kuang Hsu 24th year, 8th moon, 25th day) to the bondholders of the Imperial Chinese Government Loan of that year, then the payment of interest and repayment of principal of the present Loan shall be a first charge upon the said surplus earnings of the Imperial Railways of North China (excluding the section of the Hsinmintun-Mukden line to the East of the Liao River) and no deductions or payments shall be made from the earnings of the said railway other than those required to meet the obligations stated in the Loan Agreement of 10th October, 1898 (Kuang Hsu 24th year, 8th moon, 25th day)

until an amount sufficient to pay the next half-yearly instalment of interest and principal of the present Loan shall have been placed on deposit with the Hongkong and Shanghai Banking Corporation as security for the due payment of the same.

ARTICLE 10.—The Corporation is hereby authorized to issue to subscribers to the Loan, bonds for the total amount of the Loan for such amounts as may appear advisable to the Corporation. The form of the bonds shall be settled by the Corporation in consultation with the Yuchuanpu or its duly authorized representative or with the Chinese Minister in London. The bonds shall be engraved in Chinese and English; they shall bear the facsimile of the signature of the Yuchuanpu's duly authorized representative and of his seal of office (in order to dispense with the necessity of his signing them all in person), but the Chinese Minister in London shall, previous to the issue of any bonds, put his seal upon each bond with a facsimile of his signature as a proof that the issue and sale of the bonds are duly authorized by, and binding upon, the Imperial Chinese Government, and the representative of the Corporation in London shall countersign the bonds as agents for the issue of the Loan.

If any of the bonds herein mentioned are lost or destroyed a reissue of any thereof is to be made in the amounts respectively called for by such lost or destroyed bonds, but proper proof of the loss or destruction must be given in the usual form to the Corporation and the Chinese Minister in London for examination and record, and the requisite guarantee is to be obtained by the Corporation from the respective claimants concerned, who shall defray all expenses connected with such reissue of bonds lost or destroyed and who under the said guarantee shall undertake to indemnify the Imperial Chinese Government and/or the Corporation for any loss sustained by reason of the issue of bonds in the place of bonds lost or destroyed.

ARTICLE 11.—All bonds and coupons and payments made and received in connection with the service of this Loan shall be exempt from all Chinese taxes and imposts during the currency of this Loan.

ARTICLE 12.—All details necessary for the prospectus and connected with the payment of the interest and repayment of the principal of this Loan not herein explicitly provided for shall be left to the arrangement of the Corporation in consultation with the Chinese Minister in London. The Corporation is hereby authorized to issue the prospectus of the Loan as soon as possible after the signing of this Agreement and the Imperial Government will instruct the Chinese Minister in London to co-operate with the Corporation in any matters requiring conjoint action and to sign the prospectus of the Loan.

ARTICLE 13.—The Loan shall be issued to the public in one series of bonds, as soon as possible after signature of this Agreement and not later than twelve months from the date thereof. The price to the Imperial Chinese Government shall be 93% of the nominal value of the bonds. Subscriptions will be invited by the Corporation in England and in China both from Chinese and Europeans on equal conditions, preference being given to the application by the Chinese Government provided that such application be made before the issue of the prospectus to the public.

ARTICLE 14.—The proceeds of the Loan shall be paid to the credit of the Yuchuanpu with the Hongkong and Shanghai Banking Corporation in China or London as the case may be. Payments of the Loan proceeds into the credit of this account shall be made in instalments and on dates conforming to the conditions allowed to the subscribers to the Loan. Interest at the rate of four per cent per annum shall be granted on the credit balance of the portion of this account kept in London and interest on the credit balance of the portion kept in China will be allowed at the Bank's rates for current account or fixed deposits, as the case may be, to be arranged.

The Bank will hold the net proceeds of the Loan with accrued interest to the order of the Yuchuanpu, or its duly authorized representative, who, in ordering payment of any sums exceeding £20,000 shall give notice to the Bank ten days before the day on which they are required. Requisitions on the Loan funds will be drawn in amounts to suit the progress of construction of the Railway by orders on the Hongkong and Shanghai Banking Corporation, signed by the Yuchuanpu or its duly authorized representative, and accompanied by his certificates or those of the said Board stating the nature and cost of the work to be paid for.

Such amounts as may be required for expenditure in China may be transferred under the instructions of the Yuchuanpu at their discretion, to Shanghai, the transfers being effected through the Hongkong and Shanghai Banking Corporation, and the transferred funds shall remain on deposit with that Bank until required for railway purposes.

The Yuchuanpu will cause to be published annually, upon the close of the Railway's financial year, a report in the Chinese and English languages showing the working accounts and traffic receipts of the Railway, which report shall be procurable by the public on application.

ARTICLE 15.—If, during the time of construction the net proceeds of the present Loan with accrued interest should not be sufficient to complete the construction and equipment of the Railway line, the amount of deficiency shall be provided in the first place from such Chinese funds as may be available so as to permit of the uninterrupted continuance of the work of construction, any balance then uncovered being supplemented by a further foreign loan for the amount required, to be issued by the Corporation. The interest and other conditions of such supplementary Loan will be the same as in the present agreement, and the price payable to the Imperial Chinese Government will be the actual rate of its issue to the public less flotation charges of 5½ points retainable by the Corporation, that is to say, £5. 10/- for every £100 bond issued.

If, after completion of the line, there should remain a balance of Loan funds at the credit of the Railway account, such unused balance shall be at the disposal of the Yuchuanpu to be used either for the purpose of paying interest on the Loan or for the equipment of the Railway, or for the construction and equipment of branch lines beneficial to the Railway.

ARTICLE 16.—If, before the publication of the prospectus for the issue of the Loan, any political or financial crisis should take place by which the market and the prices of existing Chinese Government stocks are so affected as to render

in the opinion of the Corporation the successful issue of the Loan impossible on the terms herein named, the Corporation shall be granted further extension of time, but not beyond eighteen months from the date of this Agreement, for the performance of their contract. If, within this time limit the Loan shall not have been issued, this contract shall become null and void, and any advances made by the Corporation under the provisions of Article 3 shall be repaid by the Chinese Government with accrued interest, but without any other compensation or remuneration whatsoever.

Article 17.—The construction and control of the Railway will be entirely vested in the Imperial Chinese Government. For the work of construction the Yuchuanpu, or its duly appointed Managing Director, will select and appoint a British Chief Engineer, who shall be a professional man of established reputation to be selected either in England or from the staff of one of the existing Chinese Government Railways. The Chief Engineer will be under the orders of the Managing Director, or, in his absence, of his duly authorized representative. In his general conduct he shall pay all due respect to the Managing Director. The terms of the Chief Engineer's agreement will be arranged by the Yuchuanpu or its duly appointed Managing Director.

Whenever appointments are to be made or functions are to be defined of the technical employees on the Railway staff, as well as in the case of their dismissal, the Managing Director, or in his absence, his duly appointed representative, will act in consultation with the Chief Engineer and, in the case of disagreement, the matter will be referred to the Yuchuanpu, whose decision shall be final. After completion of construction the Imperial Chinese Government will retain the services of an Engineer-in-Chief who during the period of the Loan shall be a British subject.

Article 18.—During the construction of the Railway the Corporation will act as its Agents for the purchase of all materials, plant and goods required to be imported from abroad. For all important purchases of such materials, tenders shall be called for by the Managing Director; in the case of all tenders, indents and orders for the importation of goods and materials from abroad the said Agents shall purchase the materials required on the terms most advantageous to the Railway. It is understood that no orders for materials shall be execcuted or any expenditure incurred without due authorization by the Managing Director.

As remuneration for its services as Agents of the Railway during construction, the Corporation shall receive the sum of £35,000, half of which shall be paid when the construction work is half completed but not later than eighteen (18) months from the date of this agreement, and the other half upon completion of the line. This amount shall be regarded as commutation of all commissions to which the Corporation and its Agents would properly be entitled and of payments for all services rendered in the construction and equipment of the Railway in respect of the present Loan; but in the event of a further Loan being required under the provisions of Article 15 hereinabove, then a further payment of commuted commission, proportionate to the amount of such supplementary Loan and calculated at the same rate as the commutation hereinabove mentioned, shall

be made to the Corporation as commutation of its commission for all services in respect of construction.

In return for this commuted commission the Corporation as Agents shall be prepared to superintend the purchase of all foreign materials required for the construction and equipment of the Railway which shall be purchased in the open market at the lowest rate obtainable, it being understood that all such materials shall be of good and satisfactory quality. At equal rates and qualities goods of British manufacture shall be given preference over other goods of foreign origin. The Managing Director shall have the right, while paying the above stipulated commutation of commission to the said Agents, in respect of all purchases of foreign materials, to avail himself of the services of other Agents in China or abroad should he see fit to do so.

Original invoices and inspectors' certificates are to be submitted to the Managing Director; all return commissions and rebates of every description shall be credited to the Railway; and all purchases made by the Agents on behalf of the Railway shall be supported by manufacturers' original invoices and inspectors' certificates.

No commission shall be paid to the Agents except as above provided; but it is understood that the Yuchuanpu or its duly authorized representative shall provide out of Railway funds for the remuneration of Consulting Engineers whenever their services are required for general assistance and advice or for the inspection abroad of materials requiring supervision of technical experts.

With a view to the encouragement of Chinese industries, preference shall be given, at equal prices and qualities, over British and other foreign goods, to Chinese goods and materials manufactured in China. No commission will be paid on purchases of such materials and goods.

It is understood and agreed that after the construction of the line is completed, the Corporation will be given the preference for such Agency business during the currency of the Loan for the supply of foreign materials as may be required for the Railway, on terms to be hereafter mutually agreed upon.

ARTICLE 19.†—Branch lines in connection with the Railway mentioned in this Agreement, that may appear profitable or necessary later on, shall be built by the Imperial Chinese Government with funds at their disposal from Chinese sources, and if foreign capital is required, preference will be given to the Corporation.

ARTICLE 20.—By the preliminary agreement dated October 15, 1898 (Kuang Hsu 24th Year, 9th Moon, 1st Day)‡ participation of twenty per cent of the net profits of the Railway had been promised to the Corporation in remuneration for their general responsibility and services. In commutation of this participation in net profits, the Corporation is granted the right to retain £67,500 out of the

† It is understood that in a note dated June 21, 1918, the Wai Chiao Pu had occasion to address the British Legation to the following effect:

"Regarding the claim based on the Hu-Hang-Yung (Shanghai-Hangchow-Ningpo) Agreement, in the 19th Article of the said Agreement it is specifically stated that the Agreement includes the construction of branch roads. The Wen-Hang (Wenchow-Hangchow) Railway is a main line of the Chinese system, in length 400 to 500 *li*, and cannot be considered a branch road of the Hu-Hang-Yung line. Since this road cannot be considered a branch of the Hu-Hang-Yung Railway, Article 19 of the Agreement can have no reference to it."

‡ No text of this preliminary agreement is available.

proceeds of the Loan in instalments and on dates in proportion to, and based on, the terms of subscription to the Loan, as stated in the prospectus. No further payment in respect of commutation of profits will be allowed on any supplementary Loans.

ARTICLE 21.—After payment of interest and repayment of principal of the Loan for any current year, the Yuchuanpu shall deposit with the Hongkong and Shanghai Banking Corporation in Shanghai any surplus of the net revenue of the Railway line for that year up to the amount required to pay the following year's instalments of interest on the loan; the rate of interest on the deposit being arranged with the Bank from time to time with due regard to the conditions of the market.

ARTICLE 22.—The Corporation may, subject to all its obligations under this Agreement, transfer or delegate all or any of its rights, powers or discretions thereunder to any British Company, Director or Agent, with power of further transfer and subdelegation, such transfer, subtransfer, delegation or subdelegation, to be subject to the approval of the Yuchuanpu.

ARTICLE 23.—This Agreement is signed under authority of an Imperial Decree of this date which has been officially communicated to the Minister of Great Britain in Peking by the Waiwupu.

ARTICLE 24.—Three sets of this agreement are executed in English and Chinese, two sets to be retained by the Imperial Chinese Government and one by the Corporation; in the event of any doubt arising regarding the interpretation of the contract the English text shall rule.

Signed at Peking by the contracting parties this fourth day of the second month of the thirty-fourth year of the Emperor Kuang Hsu, being the sixth day of March nineteen hundred and eight.

[Signed in Chinese]
HU WEI-TEH.
LIANG SHIH-YI.
KAO ERH-CH'IEN.

[Seal of Waiwupu].

For the British and Chinese Corporation, Ltd.,
J. O. P. BLAND,
Representative in China.

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

£1,500,000 at 5%. 30 Years.

AMORTISATION SCHEDULE.

Years	Interest £	Principal £	Principal Repaid £	Principal Outstanding £
1	37,500			
	37,500			
2	37,500			1,500,000
	37,500			
3	37,500			1,500,000
	37,500			
4	37,500			1,500,000
	37,500			
5	37,500			1,500,000
	37,500			
6	37,500			1,500,000
	37,500			
7	37,500			1,500,000
	37,500			
8	37,500			1,500,000
	37,500			
9	37,500			1,500,000
	37,500			
10	37,500			1,500,000
	37,500			
11	37,500	37,500	37,500	1,500,000
	37,500	37,500	75,000	
12	35,625	37,500	112,500	1,425,000
	35,625	37,500	150,000	
13	33,750	37,500	187,500	1,350,000
	33,750	37,500	225,000	
14	31,875	37,500	262,500	1,275,000
	31,875	37,500	300,000	
15	30,000	37,500	337,500	1,200,000
	30,000	37,500	375,000	
16	28,125	37,500	412,500	1,125,000
	28,125	37,500	450,000	
17	26,250	37,500	487,500	1,050,000
	26,250	37,500	525,000	
18	24,375	37,500	562,500	975,000
	24,375	37,500	600,000	
19	22,500	37,500	637,500	900,000
	22,500	37,500	675,000	
20	20,625	37,500	712,500	825,000
	20,625	37,500	750,000	
21	18,750	37,500	787,500	750,000
	18,750	37,500	825,000	
22	16,875	37,500	862,500	675,000
	16,875	37,500	900,000	
23	15,000	37,500	937,500	600,000
	15,000	37,500	975,000	
24	13,125	37,500	1,012,500	525,000
	13,125	37,500	1,050,000	
25	11,250	37,500	1,087,500	450,000
	11,250	37,500	1,125,000	
26	9,375	37,500	1,162,500	375,000
	9,375	37,500	1,200,000	
27	7,500	37,500	1,237,500	300,000
	7,500	37,500	1,275,000	
28	5,625	37,500	1,312,500	225,000
	5,625	37,500	1,350,000	
29	3,750	37,500	1,387,500	150,000
	3,750	37,500	1,425,000	
30	1,875	37,500	1,462,500	75,000
	1,875	37,500	1,500,000	.....

Note.

The construction of the railway was in fact undertaken by Chinese provincial enterprise—the Shanghai-Fengching section by the Kiangsu Provincial Railway Company, and the section from there to Ningpo by the Chekiang Provincial Railway Company,—under concessions from the Central Government.

The *Far Eastern Review* of July, 1913 (vol. X, p. 72) gives, without indication of date or source, the following version (presumably translated from a Chinese text) of an agreement for the nationalization of the Kiangsu section of this railway:

Agreement with Provincial Company for Nationalization of Kiangsu Section of Shanghai-Hangchow-Ningpo Railway.

"Agreement made between the Kiangsu Railway Company (hereinafter called the Company) represented by Yang Ting-tung (hereinafter called the Representative) of the one part, and the Ministry of Communications (hereinafter called the Ministry) of the other part, for the nationalization of a Railway line belonging to the Company, under the following terms and conditions:

"*Article* 1.—The Company hereby agrees to surrender completely to the Government, according to the resolution of the Shareholders' Meeting of the Company, all the properties and privileges of the Shanghai-Kashing Line, *i.e.* the Railway Line from Shanghai to Fengching, which shall be controlled and managed direct by the Ministry; and to cancel the concession of all privileges previously granted to the Company by the Government.

"*Article* 2.—The Ministry hereby agrees to refund to the Company all the Capital of the line, namely:—Proper Shares $3,476,523 and Interest Shares $1,073.895 (the latter amount is not yet considered settled until proper calculation is made), by issuing to the Company a number of Bonds of fixed dates. This Capital shall be repaid in five years from the date of the taking over of the line, and the repayment shall be made in three instalments in each year, in accordance with the separate schedule. It is, however, understood that any of the instalments of each year may be made before the stipulated time, provided two months' previous notice shall be given by the Ministry to the Company to this effect.

"*Article* 3.—From the date of the taking over of the line, the Capital which has not yet been repaid by the Ministry shall also bear yearly interest at the usual rate originally decided upon by the Company, and this interest shall be paid by the Ministry at the same time together with the repayments of the Capital, when the instalments become due.

"*Article* 4.—All Bonus or Founder's Shares which formerly existed shall be null and void. They shall not be considered as Capital nor shall they be entitled to the repayment of principal or the payment of interest.

"*Article* 5.—Of the 14 Regulations regarding Deposits of the Kiangsu and Chekiang Railways, drawn up by the former Board of Posts and Communications on the 15th day, 3rd month, of the 34th year of Kuang Hsü in the late Ching Dynasty, all those which refer to the Kiangsu Railway shall be annulled from the date of the taking over of the line.

"*Article* 6.—After the closing of the Company, an organ of account-calculation shall be established. How this organ is to be established shall be decided separately.

"*Article* 7.—All the liabilities and assets which really belong to the Company shall be transferred to the Ministry, but the amounts of them shall be determined by those contained in the 6th Report of the Company.

"*Article* 8.—After the signing of this Agreement and before the taking over of the line, the Company shall be fully responsible for all the properties, incomes and expenses of the Company itself.

"*Article* 9.—With the exception of cases having special reasons, all the terminable agreements and contracts of employment, transportation, lease, etc., entered into between the Company and other parties, shall continue to be in force until the expiration of their respective terms.

"*Article* 10.—On the signing of this agreement, the Ministry shall depute officials to the Company to calculate carefully the accounts, and the Company shall instruct its responsible officers to prepare detailed lists of properties together with all the books, documents and vouchers, and to submit them to the Ministerial Officials for comparison and signature.

"*Article* 11.—It is mutually agreed that the taking over of the line shall be effected on the 1st day of the 7th month, of the 2nd year of the Republic [*i.e.*, July 1, 1913].

"*Article* 12.—The Ministry shall not be responsible for the repayment of any money that has not been stipulated in this agreement.

"*Article* 13.—Should any detailed procedure be required for carrying out the terms and conditions of this agreement, it shall be decided by the Representative and the Ministry after mutual agreement."

The Ministry of Communications thereafter (on February 14, 1914), concluded with the British and Chinese Corporation, Limited, a memorandum of agreement for the pay-

ment, from the proceeds of the loan of 1908, of the funds required for the redemption and nationalization of this section of the railway, the text of which agreement is thus given in *Wang*, p. 497:

Agreement with British & Chinese Corporation regarding Nationalization of Kiangsu Section of Shanghai-Hangchow-Ningpo Railway, February 14, 1914.

"WHEREAS arrangements have been concluded between the Ministry of Communications (hereinafter called 'the Ministry') and the Kiangsu Provincial Railway Company (hereinafter called 'the Company') for the resumption as a Government Railway of the railway constructed by the Company from Shanghai to Fengching:

"and WHEREAS the said railway was placed on January 1, 1914, under a Managing Director appointed by the Ministry and it is now necessary to commence making payment of the instalments of redemption money which the Ministry has agreed to pay to the Company:

"and WHEREAS the British and Chinese Corporation Limited (hereinafter called 'the Corporation') has agreed that the Company shall be paid from the funds of the Chinese Government 5% Shanghai-Hangchow-Ningpo Railway Loan of 1908 such amount as may represent the actual value of the said railway, on condition that the said railway be forthwith administered as a Government line in a satisfactory manner:

"This AGREEMENT between the Ministry, of the one part, and the Corporation, of the other part, WITNESSETH AS FOLLOWS:

"1.—The Ministry declares the said railway to be free from all mortgage of property or charge on revenue, and that all outstanding liabilities of the Company are provided for in the payments which the Ministry has agreed to make to the Company.

"2.—The actual value of the railway having been estimated by the Ministry and the Corporation at Shanghai Taels 3,150,000 it is hereby agreed that the following amounts shall be paid from the loan funds aforesaid on the dates herein stated, namely:

On February	20th, 1914, Shanghai Taels	1,150,000
On May	20th, 1914, Shanghai Taels	920,000
On August	20th, 1914, Shanghai Taels	770,000
On November	20th, 1914, Shanghai Taels	310,000

"The said amounts will be held available to the order of the Ministry by the Hongkong and Shanghai Banking Corporation, Shanghai.

"3.—From the date of the first payment of loan funds as above agreed the railway will be effectively administered by the Ministry, and it has been agreed by the Company that they will from that date relinquish all their rights in respect to the railway and will look solely to the Chinese Government for the payment of all further instalments, without recourse against the Railway: a declaration to which effect will be stamped on the Chinese Government bonds which are to be issued to the Company by the Ministry.

"4.—The administration of the railway will be conducted by a Chinese Managing Director. An Engineer-in-Chief, a Traffic Manager and a Chief Accountant, all of whom shall be British subjects acceptable to the Corporation, shall be appointed forthwith, together with the necessary staff. The aforesaid officers shall be under the orders of the Managing Director or his duly authorised representative.

"The connection of the railway with the Shanghai-Nanking Railway shall be undertaken by the Administration of the railway without delay.

"5.—The Chief Accountant shall have sole charge under the authority of the Managing Director of all receipts and disbursements of railway funds, and shall sign in conjunction with the Managing Director all documents appertaining to the disbursements of railway funds. The receipts of the railway will be deposited by him to the credit of the railway account with the Hongkong and Shanghai Banking Corporation at Shanghai: and any net revenue after payment of working expenses will be available for the payment of interest on the bonds of the Shanghai-Hangchow-Ningpo Railway loan of 1908.

"6.—This Memorandum of Agreement is made subject to and in amplification of the Shanghai-Hangchow-Ningpo Railway loan agreement of March 6th, 1908. In the event of any doubt arising regarding its interpretation the English text shall rule.

"Signed at Peking, this fourteenth day of February, 1914, corresponding to the fourteenth day of the second month of the third year of the Chinese Republic.

"[Chinese signature of
"CHU CH'I-CH'IEN.
and seal of
THE MINISTER OF COMMUNICATIONS.]
(Signed) S. F. MAYERS.
for *THE BRITISH AND CHINESE CORPORATION LIMITED.*"
(Seal)

The Kiangsu Railway had meanwhile been mortgaged, at the time of the revolution, as security for a loan of Yen 3,000,000 from Okura & Company to the Nanking Provisional Government; and the funds for the redemption of that mortgage were borrowed by the Chinese Government from the British and Chinese Corporation under an agreement of February 14, 1914, of which the text is thus given in *Wang*, p. 503:

Agreement for a Loan for Redemption of Mortgage on Kiangsu Section of Shanghai-Hangchow-Ningpo Railway, February 14, 1914.

"WHEREAS AN AGREEMENT dated January 27th, 1912, was made between the NANKING PROVISIONAL GOVERNMENT and MESSRS. OKURA of Japan for a loan of Yen three millions, secured by mortgage of the Kiangsu Section of the Shanghai-Hangchow-Ningpo Railway:

AND WHEREAS the Chinese Government is now desirous of redeeming the said loan and lifting the said mortgage which conflicts with the Shanghai-Hangchow-Ningpo Railway loan agreement of March 6th, 1908, the present AGREEMENT is made between the Government of the Republic of China acting through its Ministry of Communications, of the one part, hereinafter called 'the Ministry,' and the British and Chinese Corporation Limited, hereinafter called 'the Corporation,' of the other part.

"ARTICLE 1.—The Ministry hereby contracts to borrow from the Corporation a loan of £375,000 to be evidenced by the issue of Chinese Government bonds for that amount which the Corporation is hereby authorised to prepare in such form and for such amounts as the Corporation shall decide in consultation with the Chinese Minister in London. The bonds shall bear the facsimile of the signature of the Minister of Communications and of his seal of office, and the Chinese Minister in London shall sign and seal them in the usual manner as a proof that their sale is duly authorised by and binding upon the Chinese Government. The loan shall be entitled: 'The Chinese Government 6% Shanghai-Fengching Railway Mortgage Redemption loan of 1914.'

"The proceeds of the loan will be placed by the Corporation to the credit of the Ministry at the Hongkong and Shanghai Banking Corporation in London on the date upon which duly executed bonds (or provisional certificates representing the same) are handed to the Corporation by the Chinese Minister in London.

"ARTICLE 2.—These bonds shall bear interest at the rate of six per cent. (6%) per annum on the nominal principal which will be paid to the Corporation half-yearly. The said interest shall be calculated from the date on which the bonds (or provisional certificates representing the same) are handed to the Corporation and shall be paid by the Ministry from Chinese Government sources, and should these be insufficient then from the surplus earnings of the Peking-Mukden Railway, as laid down in Article 4 hereinafter.

"The payment of interest to the Corporation will be made through its duly appointed Agents, the Hongkong and Shanghai Banking Corporation, in accordance with the amounts of the schedule attached to this agreement and 14 days before their due date, by the Ministry, who shall hand to the said Bank in Shanghai 14 days before due date, funds in Shanghai sycee and/or coin of the National Currency so soon as the said currency shall have been effectively established, sufficient to meet such payment in sterling in London, exchange for which shall be settled with the Bank. These payments may however be made in Gold if the Ministry should happen to have Gold funds 'bona fide' at their disposal in Europe and desire so to use them.

"In reimbursement of expenses connected with the payment of interest and repayment of principal of the loan the Hongkong and Shanghai Banking Corporation will receive a commission of ¼% on the annual loan service.

"ARTICLE 3.—The term of the loan shall be 20 years. Repayment of principal shall commence after the expiry of 10 years from the date on which the bonds (or provisional certificates representing the same) are handed to the Corporation, and shall be made by yearly amortisation to the Hongkong and Shanghai Banking Corporation from the surplus earnings of the Peking-Mukden Railway as laid down in Article 4 hereinafter, and if necessary, from such other sources as the Ministry may think fit to use for the purpose, according to the amounts specified in the schedule attached to this agreement, and 14 days before their due dates, as calculated from the date on which the bonds (or provisional certificates representing the same) are handed to the Corporation.

"If at any time after the lapse of 10 years from the date on which the bonds (or provisional certificates representing the same) are handed to the Corporation the Ministry should desire to redeem the loan or any portion of it not yet due for repayment in accordance with the schedule of repayments hereto attached, it may do so by payment of a premium of 2½% on the face value of the bonds, that is to say by payment of £102. 10/—for each £100 bond.

"ARTICLE 4.—The Government of the Republic of China hereby engages that the interest and principal of this loan shall duly be paid in full, and pledges as security for the loan the surplus earnings of the Peking-Mukden Railway (excluding the section of the Hsinmintun-Mukden line to the East of the Liao River) that is to say, that after deducting from the net earnings of that railway the amounts required to meet the pay-

ments of interest and repayments of principal due in terms of the agreement of October 10th, 1898, to the bondholders of the Chinese Government loan of that year, and after deducting from the balance of the net earnings of that railway the amounts required to meet the payments of interest and repayments of principal due in terms of the Agreement of March 6th, 1908, to the bondholders of the Chinese Government Shanghai-Hangchow-Ningpo Railway loan of that year, then the payment of interest and repayment of principal of the present loan shall be a first charge upon the said surplus earnings of the Peking-Mukden Railway (excluding the section of the Hsinmintun-Mukden line to the East of the Liao River) and no deduction or payments shall be made from the earnings of the said railway other than those required to meet the obligations stated in the Loan Agreements of October 10th, 1898, and 6th March, 1908, until an amount sufficient to pay the next half-yearly instalment of interest and yearly instalment of principal of the present loan shall have been placed on deposit with the Hongkong and Shanghai Banking Corporation as security for the due payment of the same.

"ARTICLE 5.—The Corporation undertakes to purchase the aforesaid bonds to the total nominal value of £375,000 at the price of £91 for each £100 bond.

"ARTICLE 6.—The Ministry hereby undertakes that the proceeds of this loan shall be solely devoted to the redemption of the loan of Yen 3,000,000 mentioned in the preamble of this Agreement, and hereby declares formally that on redemption of the said loan the Kiangsu Section of the Shanghai-Hangchow-Ningpo Railway will be free from all loans, charges or mortgages whatsoever (the Chinese Government 5% Shanghai-Hangchow-Ningpo Railway Loan of 1908, and outstanding liabilities of the Company for which the Ministry of Communications has made provision, excepted) and that the Chinese Government will not permit any other loan charge or mortgage to be created by the Provincial Company of Kiangsu on the security of the aforesaid section of the Shanghai-Hangchow-Ningpo Railway.

"ARTICLE 7.—If any of the bonds mentioned in this agreement are lost or destroyed a reissue of any thereof will be made in the amounts respectively called for by such lost or destroyed bonds, but proper proof of the loss or destruction must be given in the usual form by the Corporation to the Ministry. All expenses connected with the reissue of such lost or destroyed bonds will be borne by the Corporation.

"ARTICLE 8.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts during the currency of this loan.

"ARTICLE 9.—This Agreement is signed under the authority of a Presidential Order of February 14th, 1914, which has been officially communicated to the Minister of Great Britain in Peking by the Waichiaopu.

"ARTICLE 10.—Three sets of this agreement are executed in English and Chinese, two sets to be retained by the Ministry and one by the Corporation: in the event of any doubt arising regarding the interpretation of the agreement the English text shall rule.

"Signed at Peking by the contracting parties this fourteenth day of February, Nineteen hundred and fourteen.

[Chinese signatures & seals of
"CHU CH'I-CH'IEN,
"Minister of Communications.
"CHOU TZU-CH'I,
Minister of Finance.
(Sgd.) "S. F. MAYERS.
"for The British and Chinese Corporation, Limited.

"SHANGHAI-FENGCHING RAILWAY: MORTGAGE REDEMPTION LOAN AGREEMENT.

£375,000 at 6%. 20 Years.

AMORTISATION SCHEDULE.

Years	Interest	Principal	Principal Outstanding
1	£11,250		£375,000
	11,250		
2	11,250		375,000
	11,250		
3	11,250		375,000
	11,250		
4	11,250		375,000
	11,250		
5	11,250		375,000
	11,250		
6	11,250		375,000
	11,250		
7	11,250		375,000
	11,250		
8	11,250		375,000
	11,250		
9	11,250		375,000
	11,250		
10	11,250		375,000
	11,250		
11	11,250	£37,500	337,500
	11,250		
12	10,125	37,500	300,000
	10,125		
13	9,000	37,500	262,500
	9,000		
14	7,875	37,500	225,000
	7,875		
15	6,750	37,500	187,500
	6,750		
16	5,625	37,500	150,000
	5,625		
17	4,500	37,500	112,500
	4,500		
18	3,375	37,500	75,000
	3,375		
19	2,250	37,500	37,500
	2,250		
20	1,125	37,500	....."
	1,125		

The Chekiang section of the railway was likewise nationalized by an agreement (of which no version is available) with the Chekiang Provincial Railway Company, the funds for the purpose being obtained by the Chinese Government from the proceeds of the loan of 1908, under the terms of a memorandum of agreement, dated September 19, 1914, of which the text is thus given in *Wang*, p. 491:

Agreement with British & Chinese Corporation regarding Nationalization of Chekiang Section of Shanghai-Hangchow-Ningpo Railway, September 19, 1914.

"WHEREAS arrangements have been concluded between the Ministry of Communications (hereinafter called 'the Ministry') and the Chekiang Provincial Railway Company (hereinafter called 'the Company') for the resumption as a Government Railway of the Chekiang Section of the Shanghai-Hangchow-Ningpo Railway (hereinafter called 'the Section'):

"AND WHEREAS the said section was placed on June 16th, 1914, under a Managing Director appointed by the Ministry, and it is now necessary to commence making payment

of the instalments of redemption money which the Ministry has agreed to pay to the Company:

"AND WHEREAS the British and Chinese Corporation Limited (hereinafter called 'the Corporation') has agreed that the Company shall be paid from the funds of the Chinese Government 5% Shanghai-Hangchow-Ningpo Railway Loan of 1908 such amount as may represent the actual value of the said Section, on condition that the entire Shanghai-Hangchow-Ningpo Railway (hereinafter called 'the Railway') be forthwith administered as a Government line in a satisfactory manner.

"THIS AGREEMENT between the Ministry, of the one part, and the Corporation, of the other part.

"WITNESSETH AS FOLLOWS:—

"1. The Ministry hereby declares the said Section to be free from all mortgage of property or charge on revenue, and that all outstanding liabilities of the Company are provided for in the payments which the Ministry has agreed to make to the Company.

"2. The actual value of the Section having been estimated by the Ministry and the Corporation at Shanghai Taels 8,000,000 it is hereby agreed that the following amounts shall be paid from the loan funds aforesaid on the dates herein stated, namely,

On September	24th, 1914, Shanghai Taels	2,000,000
On December	24th, 1914, Shanghai Taels	2,000,000
On March	24th, 1915, Shanghai Taels	2,000,000
On June	24th, 1915, Shanghai Taels	2,000,000

"The said amounts will be held available to the order of the Ministry by the Hongkong and Shanghai Banking Corporation, Shanghai, but with the condition that if after defraying from loan funds, from time to time, the expenditure for repairing and construction work of the railway and for constructing the connecting line with the Shanghai-Nanking Railway there should be insufficient loan funds remaining over to meet the final instalment above stated the deficiency shall be met from the proceeds of the Shanghai-Hangchow-Ningpo Railway Supplementary Loan.

"3. From the date of the first payment of loan funds as above agreed the railway will be effectively administered by the Ministry, and it has been agreed by the Company that they will from that date relinquish all their rights in respect to the Section and will look solely to the Chinese Government for the payment of all further instalments, without recourse against the Railway; a declaration to which effect will be stamped on the Chinese Government bonds which are to be issued to the Company by the Ministry.

"4. The administration of the Railway will be conducted by a Chinese Managing Director. An Engineer-in-Chief, a Traffic Manager, a Locomotive Superintendent and a Chief Accountant, all of whom shall be British subjects acceptable to the Corporation, shall be appointed forthwith, together with the necessary staff, including a Chief Storekeeper, who shall be a British subject. The aforesaid officers shall be under the orders of the Managing Director or his duly authorised representative: and in order to secure efficiency and economy of administration the said Chinese Managing Director and officers shall be the Chinese Managing Director and staff of the Shanghai-Nanking Railway. Their full salaries and allowances shall be charged to the administration of the Shanghai-Nanking Railway and the Shanghai-Hangchow-Ningpo Railway in proportion to the respective mileage of these lines. The connection of the railway with the Shanghai-Nanking Railway shall be undertaken immediately on signature of the present Memorandum of Agreement. Funds for the purchase of the necessary land will be furnished by the Ministry, and the expenditure necessary for the construction of this connecting line will be met from loan funds.

"The completion of the Railway from Hangchow to Ningpo shall be undertaken by the Administration as soon as practicable.

"5. The Chief Accountant shall have sole charge under the authority of the Managing Director of all receipts and disbursements of railway funds and shall sign in conjunction with the Managing Director all documents appertaining to the disbursement of railway funds. The receipts of the railway will be deposited by him to the credit of the Railway Account with the Hongkong and Shanghai Banking Corporation at Shanghai; and any net revenue after payment of working expenses will be available for the payment of interest on the bonds of the Shanghai-Hangchow-Ningpo Railway Loan of 1908.

"6. This Memorandum of Agreement in English and Chinese is made subject to and in amplification of the Shanghai-Hangchow-Ningpo Railway Loan Agreement of March 6th, 1908. In the event of any doubt arising regarding its interpretation the English text shall rule.

"Signed at Peking, this nineteenth day of September, 1914, corresponding to the nineteenth day of the ninth month of the third year of the Chinese Republic.

"[Chinese signature and Seal of
"THE MINISTER OF COMMUNICATIONS]
(Sgn.) "S. F. MAYERS
(Seal) "FOR THE BRITISH AND CHINESE CORPORATION, LIMITED."

NUMBER 1908/4.

CHINA.

Memorial of the Ministry for Foreign Affairs, and imperial rescript, in regard to the revision of the procedure governing intercourse between the local officials and missionaries.—March 12, 1908.*

A memorial was presented by the former Tsung Li Yamen, enclosing five articles on the subject of intercourse between the local officials and missionaries, which was approved by an imperial rescript, dated Kuang Hsu, 25th Year, 2nd Month, 5th day (March 16, 1899).†

We would note that in the memorial it is stated that when the Archbishops or Bishops apply for an interview with the Viceroys, Governors, Provincial Judges, Taotais, Prefects, or District Magistrates, the said officials will treat with them according to their respective ranks.

At the time the memorial was presented the Tsung Li Yamen hoped that the procedure which they drew up to govern intercourse between the local officials and missionaries would be of benefit to the church. But the Bishops and others who are preaching the Gospel in China can not be said to have official rank, and they certainly can not hold the same rank as Viceroys, Governors, and other officials.

Of late the practice of the local officials, based on treaty, in their relations with the missionaries, does not agree with the conditions which were prevalent at the time the last regulations were drawn up. Furthermore, since the regulations in question were put into effect, the missionaries and others have constantly made use of the ceremonial customs and insignia of the local officials, thereby causing misunderstandings among the stupid people. Such was certainly not the original intent of the regulations, and it is urgently necessary to draw up a procedure more in accord with present conditions.

We accordingly petition the Throne to cancel the memorial of the Tsung Li Yamen. In future the intercourse between the local officials and the missionaries should be carried on as before, in accordance with the treaties.

When the Throne has approved this memorial, this board will communicate with the different provinces that they may issue instructions to have the memorial observed.

Reverently submitted to Their Majesties, the Empress Dowager and the Emperor.

RESCRIPT: Approved.

Kuang Hsu, 34th Year, 2nd Month, 10th day (March 12, 1908).

* Translation from the official Chinese text.

† See Note to this document, *post*, p. 718.

Note.

Rockhill, p. 424, and *Hertslet*, p. 1154, reprint from *China*, 1900, No. 1, p. 142, the following translation of that memorial:

Memorial and Rescript concerning Intercourse between local Officials and Missionaries, March 16, 1899.

"China has long ago given her consent to the establishment of Mission stations of the Roman Catholic religion in the various provinces. With the desire of maintaining peaceful relations between ordinary Chinese subjects and the converts, and of facilitating protective measures, the following proposals as to the reception of missionaries by local officials are submitted:—

"1.—To define the various ranks of missionaries.

"Bishops rank with Governors-General and Governors. They may ask for interviews with these officers. If a Bishop returns to his country or vacates his post on account of sickness, the priest who acts for him can also ask for interviews with the Governor-General and Governor.

"Provicaires and Head Priests can ask for interview with Treasurers, Judges, and Taotais. Other priests can ask for interviews with Prefects and Magistrates.

"The Chinese officials of all ranks above mentioned will return the courtesy in accordance with the rank of the priest.

"2.—Bishops must furnish the provincial authorities with a list giving the names of the priests deputed to transact international business with the Chinese officials, and of the places where missions are established, so that the provincial authorities can instruct their subordinates to treat with such priests according to these regulations.

"All those priests who ask for interviews, and those specially deputed to transact such business, must be Westerners, but in cases in which the Western Priest cannot speak Chinese, a Chinese priest may interpret.

"3.—In cases in which the Bishop lives away from the provincial capital, he need not naturally go to the said capital to ask for an interview with the Governor-General or Governor without cause. On occasions of a change of Governors or Bishops, or of New Year's congratulations, the Bishop may write to the provincial authorities or send his card as a matter of courtesy, and the provincial authorities will reciprocate.

"In cases of change of priests, the newcomer must have a letter from the Bishop, before he can ask for interviews with the Chinese officials as above.

"4.—In grave cases connected with the mission, Bishops and priests must request the Minister of the nation specially intrusted by the Pope with the protection of Roman Catholic missionaries or the Consul of that nation to arrange the affairs with the Tsung-li Yamên or the local officials. They may also discuss and arrange the matter in the first instance with the local officials, so as to avoid complications. The local officials, when applied to in such cases, must at once discuss and arrange the affair in an equitable and friendly manner.

"5.—The local officials must, as occasion arises, exhort and constrain the ordinary Chinese to look upon the converts as comrades, and not to pick quarrels with them.

"The Bishops and priests on their side must instruct their converts to lead blameless lives, and so preserve the good name of the religion and the respect and goodwill of the non-converts.

"Should lawsuits arise between converts and others, the local authorities must decide the same with impartiality. The priests must not interfere or favour their people. Thus it may be hoped that converts and people will live together on friendly terms.

"The same day the Imperial assent was given."

NUMBER 1908/5.

GREAT BRITAIN (British and Chinese Corporation, Limited) AND CHINA.

Agreement in regard to the Shanhaikuan-Sinminting section of the Peking-Mukden Railway.—March 25, 1908.*

THIS AGREEMENT is made at Peking on the twenty-third day of the second month of the thirty-fourth year of Kuang Hsu, corresponding to the twenty fifth day of March 1908, between the Director General of the Imperial Railways office of the Board of Communications, hereinafter referred to as the Director General of the one part, and the British and Chinese Corporation Limited hereinafter called "The Corporation" of the other part.

WHEREAS:

1.—In the year 1899 the Chinese Imperial Railway 5% Gold Loan was issued for the total sum of £2,300,000 sterling in 23,000 Bearer Bonds of £100 each, the said loan being unconditionally guaranteed by the Imperial Government of China and each of the said bonds being sealed by the Chinese Minister in London and being, by the terms of the bond, declared to be entitled to a first charge upon the permanent way rolling stock and entire property with the freight and earnings of the then existing railway lines then partly constructed or in the course of construction or about to be constructed from Shanhaikuan to Sinminting and from a point on the last mentioned line near Shih-san-chan to Yingtzu and (by way of a branch line) from Nu-erh-ho to the collieries of Nanpiao and each of the said bonds being expressed to be issued subject to and with the benefit of the agreement next hereinafter stated.

2.—Under an Agreement (hereinafter called the "Loan Agreement") dated the 10th October 1898 † and made between H. E. Hu Governor of Peking as Director General of the Railways of North China within and without Shanhaikuan acting under the authority of the Imperial Chinese Government of the one part, and the Hongkong and Shanghai Banking Corporation (hereinafter called "the said Bank") for themselves and on behalf of the firm of Jardine Matheson & Company representing as Joint Agents the Corporation of the other part, the said loan was issued on behalf of the Director General aforesaid by the Corporation.

3.—By the provisions of the loan agreement the proceeds of the loan were to be paid over in London to the order of the Director General and were to be applied (amongst other purposes) to the construction of the said railways mentioned in the said bonds as being then partly constructed or in course of construction or about to be constructed including the said branch line from Nu-erh-ho to the collieries of Nanpiao.

4.—The said railways mentioned in the said bonds as being then partly constructed or in course of construction or about to be constructed (except the said

* Text as printed in *Wang*, p. 169.
† No. 1898/20, *ante*.

branch line from Nu-erh-ho to Nanpiao) have now been constructed and opened for traffic and it is contended by the Director General that the several purposes for which the proceeds of the said loan were applicable under the loan agreement except the construction of the said branch line to Nanpiao have been fulfilled.

5.—In accordance with the provisions of the said bonds and of the loan agreement, bonds to the aggregate amount of £57,500 were drawn and paid off in each of the years 1905, 1906 and 1907 (except certain drawn bonds which have not yet been presented for payment) with the result that the outstanding bonds of the said loan do not in the aggregate exceed the sum of £2,127,500.

6.—All interest which has accrued due under the bonds of the said loan up to the date of this agreement has been duly paid.

7.—At the time of the issue of the said loan it was believed that good coal could be obtained from Nanpiao for general purposes and in particular for the purposes of working the said railways mentioned in the said bonds. The Imperial Chinese Government have now ascertained that the coal at Nanpiao is generally of an inferior quality and in particular is of little use for locomotive purposes and consequently the Director General refuses to proceed with the construction of the said branch line to Nanpiao.

8.—The estimated cost of the branch line from Nu-erh-ho to Nanpiao was £150,000, which estimate is more than covered by the remainder of the capital of the loan so far unexpended and lying in the Hongkong and Shanghai Bank in London to the credit of the Imperial Railways of North China.

9.—Under the circumstances the Corporation are satisfied that it will be generally for the benefit of the security of the said bonds that such arrangement shall be effected (subject to the sanction of the High Court in England) as is hereinafter expressed.

NOW IT IS HEREBY AGREED AS FOLLOWS:—

1.—The Director General and the Imperial Chinese Government shall be free and discharged from any obligation either under the said bonds or under the loan agreement to construct the branch line from Nu-erh-ho to Nanpiao or any part thereof.

2.—No part of the unexpended loan funds shall be reserved for the construction of the branch line from Nu-erh-ho to Nanpiao, but all of the said unexpended loan funds so far as they are not already applicable by the Imperial Railways of North China to reimbursement for work of construction, improvement and equipment already performed by the latter, shall be disposed of under the terms of the original loan agreement of 1898, that is to say, in the further construction of extensions or improvement of existing lines or railway equipment under the terms of the said loan agreement other than the construction and equipment of the said branch line from Nu-erh-ho to Nanpiao.

3.—Each of the said bonds remaining outstanding is hereby declared to be entitled to a first charge upon the permanent way rolling stock and entire property with the freight and earnings of the railway already constructed from Peking to Tungchow and also of all railways and railway equipment the construction or purchase of which or of any part of which shall be paid for out of the said funds standing to the credit of the Imperial Railways of North China as aforesaid and

so that all the agreements and provisions of the said bonds and of the loan agreement for the security of the said bonds or the benefit of the bondholders shall, so far as may be, apply in respect of the said railways and property of every kind included in this present charge in like manner as if such railways and property had been originally included in the security of the said bonds.

4.—The Director General will execute and do or cause to be executed and done all (if any) instruments acts and things which according to the law of China may be necessary or proper to effectuate this agreement and the charge herein contained.

5.—All the costs, charges, and expenses of the Corporation of and incidental to the negotiations for and the preparation and execution of this agreement and of and incidental to the carrying the same into effect including the costs charges and expenses of all parties of and incidental to the proceedings to be taken under the next following clause shall be paid out of the said funds at the said Bank.

6.—Proceedings shall forthwith be commenced in the High Court of Justice in England for obtaining the sanction of the said Court to this agreement on behalf of the holders of the said bonds.

7.—This agreement is to be sealed with the official seal of the Chinese Minister in London in testimony of the authority of the Director General to execute and effectuate this agreement.

IN WITNESS WHEREOF the contracting parties have signed this agreement this twenty third day of the second month of the thirty fourth year of Kuang Hsu, corresponding to the twenty fifth day of March 1908.

(Sgd.) LIANG,
Director General.
(Sgd.) J. P. BLAND,
for The British and Chinese Corporation Limited.

NUMBER 1908/6.

RUSSIA (Chinese Eastern Railway Company) AND CHINA (Heilungkiang Province).

Agreement for the felling of timber in Heilungkiang Province.—April 5, 1908.*

ARTICLE I.—The Chinese Eastern Railway Company is hereby granted the privilege of felling all kinds of timber in the Province of Heilungkiang: (1) Huo Liao Kou, near branch line No. 384, in length not more than thirty Chinese *li,* in breadth not more than ten Chinese *li;* (2) P'i de I, near Pa Lin Station, in length not over thirty *li,* in breadth not more than ten *li;* (3) along

* Translation from Chinese text. Russian text printed in *Soglashenia,* p. 46.
In connection with this agreement, see the similar agreement in regard to Kirin Province, August 30, 1907 (No. 1907/15, *ante*).

the banks of the Ch'uan Lin River, from the point where it enters the Sungari River, upstream for the distance of fifty *li,* in breadth twenty *li* on the right bank and fifteen *li* on the left bank.

ARTICLE II.—The said railway company shall, before commencement of the operations of felling any timber, notify the Chief Bureau of railway relations of the region, of the quantity and kinds of timber the said company intends to fell, and request the authority of the said Bureau that a license be issued in which are enumerated the desired quantity and kinds of timber. The said license shall be issued after one-third of the fee required for the enumerated quantity and kinds of timber has been received; the other two-thirds shall be paid after the quantity as enumerated in the license has been felled.

ARTICLE III.—A timber license shall be issued annually on the first day of August (Russian Calendar) in favor of the said railway company, which license is to last one year. All fees of the previous year shall be fully paid at the above date. If at the end of the year the quantity of timber felled is not equal to one-third of that stated in the license, the fees already paid shall, according to the Chinese Treasury rules, not be refunded. If on the contrary, the quantity of timber felled exceeds one-third, a proportionate fee, shall, however, be paid, according to the rate fixed in this agreement. In case the license fee due at the end of the stated period is not paid, or the said company fails to comply with the articles of this agreement, the license already issued shall be nullified and the privilege of felling timber withdrawn. If the said company duly pays the license fee, and acts according to the articles of this agreement, the Chinese authority shall, in accordance with the provisions of this agreement, renew the license annually on the dates stated above.

ARTICLE IV.—The area granted to the said company on which to procure timber shall be marked out clearly in the locality at the said company's expense. The said company shall not procure timber beyond the limits thus marked out. The Chinese authority shall not grant the privilege of felling timber within the said areas to any other party. The Chinese authority will make every effort to stop the unauthorized felling of timber within the said areas by any other party.

ARTICLE V.—Sufficient space must be reserved in the said timber areas near the railway for public roads, spacious enough for the passage of vehicles, horses, etc.

ARTICLE VI.—The said railway company may make any arrangements within the said timber areas for the felling of timber, the storage of the same, the establishment of sawmills, the erection of dwelling houses, the repair of branch lines for the transportation of wood. Chinese police must be permitted to enter said areas for the arrest of criminals. Chinese subjects shall not be prevented from entering the said areas for the purpose of hunting and the collection of ginseng roots. Chinese authority shall be at liberty to dispose of any tillable land that may be found within the said areas to Chinese subjects for agricultural purposes; the said company shall not exercise any interference. The inhabitants of the said timber area may procure therefrom such timber as is used for building material and fuel, but this must be made known to the said railway company through the deputy residing in the areas, who will

designate the locality, make an estimate of the quantity of timber, and issue a special certificate, but the wood thus procured shall not be sold to another party. If any pasturage is found within the said areas, the said company may breed cattle thereon, and procure therefrom hay for sheep and goats. One kopeck shall be paid to the Chinese government treasury for each *pood* of hay.

ARTICLE VII.—The said company shall procure such timber from the said areas as are stated in the license. Four-tenths (4/10) of a kopeck shall be paid for each *arshin* (twenty-eight English inches) length and one *vershok* (1.75 English inches) in thickness of wood; this applies to lumber sixteen inches (Russian inch same as English), Russian measure, in diameter, and twelve feet (Russian foot same as English), Russian measure, in length only; for any size exceeding this, half a kopeck shall be paid for each *arshin* (twenty-eight English inches) length and one *vershok* (1.75 English inches) in thickness of wood. One rouble shall be paid for every cubic *sazhen* (one *sazhen* equals seven English feet) of wood used for fuel. Three and one-half kopecks shall be paid for each piece of track wood (sleeper?). The diameter of any lumber of large size shall be measured by the small end. Any fraction more than six-tenths of an inch shall be considered as one inch; if less than six-tenths the fraction shall be dropped. As to lengths, such sizes as reach one-fourth of a foot will be taken into account. This tariff shall continue in force for five years after the date on which this agreement is signed. After the expiration of that period, the license questions shall be taken up for reconsideration. If the said railway company shall purchase any lumber from merchants who received their permission from the Chinese authorities, the said company shall pay license fees according to the tariff of this article, upon receiving the consignment of lumber.

ARTICLE VIII.—The Chinese authority shall appoint deputies to reside in the areas above stated, who will, in conjunction with the Russian officers, keep records of the varieties, sizes and quantities of lumber procured from the said areas, for the purpose of calculating the license fee.

ARTICLE IX.—For every *shang* (0.6 acre) of government land, without reference to quality of soil, that may be occupied for the purpose of the building of dwelling houses, the storage of lumber, and the establishment of factories at the junction of roads, the said company shall pay three roubles annually as rental. If it be private land, the annual rental shall be agreed upon with the owner.

ARTICLE X.—As the forests are subject to the conservation measures of the Chinese Government, the privilege of felling timber granted to the said railway company shall not interfere with any regulations that may be promulgated by the government for the conservation of forests.

ARTICLE XI.—According to the present condition of the railway in Heilungkiang Province, two hundred thousand cubic *sazhen* are consumed annually as fuel, eight hundred thousand pieces of track wood (sleepers?), and two hundred thousand pieces of timber of considerable size. If, in future, the railway prospers and consumes or requires more wood than the present estimates, the Chinese authorities may grant more.

ARTICLE XII.—The said railway company may sell such of its superfluous wood, but tax must be paid according to the prevailing tariff.

ARTICLE XIII.—After this agreement is ratified, it shall be binding upon both parties. All previous agreements and licenses shall be superseded.†

ARTICLE XIV.—This agreement shall be drawn in Russian and Chinese, two copies of which shall be made, with charts of the timber areas appended, which shall be sealed and signed. One copy shall be deposited in the Yamen of the Governor of Heilungkiang; another copy delivered to the Chinese Eastern Railway Company. In the event of controversy, the Chinese text shall be authoritative.

34th year of Kuang Hsü, 3rd moon, 5th day: Russian Calendar, March 23, 1908 (April 5, 1908).

(Signed) SUNG HSIAO-LIEN,
Expectant Taot'ai, Wearer of the one-eyed Peacock Feather.
(Signed) *General* HORVATH,
Manager of the Chinese Eastern Railway.

(SUPPLEMENTARY AGREEMENT.)

In the 11th Article of these regulations the words 200,000 cubic *sazhens* of fire wood should be changed to 100,000 cubic *sazhens;* the 800,000 pieces of track wood should be changed to 300,000 pieces; the 200,000 pieces of large timber should be changed to 100,000.

(Signed) SUNG HSIAO-LIEN,
Expectant Taot'ai, Wearer of the one-eyed Peacock Feather.
(Signed) *General* HORVATH,
Manager of the Chinese Eastern Railway.

NUMBER 1908/7.

GERMANY (Ching Ching Minen Gesellschaft) AND CHINA.

Agreement in regard to the Ching Hsing mines.—April 14, 1908.*

Agreement made between H. E. Tsai Superintendent of Customs and H. E. the Brevet Taotai Li, by appointment of H. E. the Viceroy of Chihli Yang, Director General and Director of the Chihli Ching Hsing Mining Administration and all business connected herewith of the one part and Mr. C. von Hanneken acting on behalf and in the name of the Ching Ching Minen Gesellschaft m. b. h., a German Company, of the second part.

Whereby it has been agreed as follows:—

The said "Ching Hsing Mining Administration" being hereafter referred to as the "Administration"—the Ching Ching Minen Gesellschaft m. b. h. as the

* See Note to this document, *post*, p. 729.
† One such agreement had been concluded at Harbin, February 22/March 6, 1904.

" Company "—the association of both parties to bear the name of the " Ching Hsing Mines " and to be referred to in this Agreement as the " Mines."

ARTICLE 1.—The " Administration " being Superintendent and Concessionar over the geological coal-fields and mineral deposits of the Chihli District of Ching Hsing decides and agrees to enter into an association with the " Company " subject to the Articles of this Agreement.

ARTICLE 2.—The " Company " decides and agrees to enter into an association with the " Administration " and to hand into the " Mines " all its property and assets consisting in lands, pits, machinery, plant, houses, and buildings, furniture, live stock, underground developments, stock of coal and stocks of materials, tools and stores. All the lands acquired by the " Company " for mining purposes are to be returned to the " Administration," who will hand same to the " Mines."

ARTICLE 3.—The business year of the " Mines " shall commence with the date of the Imperial sanction of this agreement. At this date the Company assures and warrants that all accounts and debts have been settled and that any claimants against the Company shall have no claim against the " Mines."

ARTICLE 4.—During the continuance of the present agreement the " Mines " shall be worked jointly by both parties. The " Administration " shall appoint by mutual agreement with the " Company " the Chinese staff and in particular the Chinese Manager and Chinese Engineer, the " Company " shall appoint by mutual agreement with the " Administration " the Foreign staff and the Foreign Manager.

Before any projected works and innovations are undertaken, they are to be approved of by the two co-managers or their deputies who must in everything act in perfect harmony; all accounts to be kept by competent Foreign or Chinese accountants and to be translated into Chinese so that they might be equally controlled, and passed by both co-managers; every formal document to be signed by the two co-managers or their deputies, who shall act in the name of and on account of the " Mines," all official correspondence to be conducted in Chinese; business correspondence, accounts and documents may be conducted in English but must be kept on file in both languages.

ARTICLE 5.—The value and assets of the " Mines " to be accounted for in the capital of the enterprise of the development of the Ching Hsing district consist of:—

(a) The geological coal-fields within the district of Ching Hsing as shown on the attached map † and declared to be presently intended for development and estimated to amount to Hang Ping Taels Two Hundred and Fifty Thousand (Tls. 250,000).

(b) The entire assets of the " Company " brought in by this Company in accordance with Article 2 and the necessary sum of money for further development also estimated to amount to Hang Ping Taels Two Hundred and Fifty Thousand (Tls. 250,000) of which Hang Ping Taels Two Hundred Thousand represent the agreed value of the entire assets of the " Company " as per Article 2 on the first day first moon of the 32 year Kuang Hsü.

† Not printed.

Thus the nominal Capital of the "Mines" will be Hang Ping Taels Five Hundred Thousand, of which Tls. 250,000 (fully paid up) shares will be handed to the Administration and remain under control of the Director General and Tls. 250,000 shares, of which Tls. 200,000 are paid up will be handed to the "Company."

The "Company" will have to pay up their shares Hang Ping Taels Fifty Thousand as demand arises and interest thereon to begin from date of payment. It is understood that the Taels Two Hundred and Fifty Thousand shares handed to the "Administration" will receive interests and dividends at the rate as if they were paid up at the dates as the shares of the "Company."

ARTICLE 6.—If in the course of time the funds of the "Mines" should prove to be insufficient to carry on the business and if new funds must be provided for, this might be done either by increasing the Capital of the "Mines" and in such case the "Administration" and the "Company" shall each have to provide one half of this increase, or the "Mines" shall be authorised to supply the necessary funds by raising a loan. Which of the two ways will have to be adopted shall be a matter to be mutually decided by the two co-managers.

ARTICLE 7.—The annual net profits of the undertaking shall be applied as follows:

(a) Interest at the rate of seven per cent (7%) per annum on the total paid up capital of Tls. 500,000 shall be paid yearly to the shareholders.

(b) Of the remaining profits ten per cent (10%) shall be paid to the "Administration" to form an amortisation fund, to refund the original capital of the Company.

(c) A sum of Hang Ping Taels Five Thousand (Tls. 5,000) to be paid to the Bureau of Mines of Chihli Province.

(d) The remaining profit shall be divided in equal parts between the "Administration" and the "Company."

ARTICLE 8.—This Agreement is made for a term of thirty years from the date of the Imperial sanction being given. During the first fifteen years interest and profits shall be paid as stated in Article 7. From the sixteenth year the amount of Capital actually invested by the "Company" shall be repaid, by the "Administration" at the rate of one fifteenth a year, so that in fifteen years time the Capital shall be fully redeemed; the redeemed sums not bearing any more than interest of 7%. During this term (*i.e.* from the 16th to the 30th year) the division of the profits shall be as follows: one half to the "Administration" and one half to the "Company," from the 16th to the 20th year whereas from the 21st to 30th year only 40% of the total remaining profits will go to the "Company," the "Administration" receiving 60%.

At the end of the thirtieth year the total amount of Capital invested by the "Company" shall be fully redeemed after which all connections between the "Administration" and the "Company" will cease and this Agreement be void.

ARTICLE 9.—If at the end of the 15th year the "Administration" should wish that all connections between the "Administration" and the "Company" should cease and that this Agreement should be terminated the "Administration" will give the "Company" 12 months notice.

In such case the "Administration" shall have the right to take over, and the "Company" shall have the obligation to deliver all her interests in the "Mines" against receiving from the "Administration" the sum of Tls. 250,000 as an equivalent for the original Capital invested by the "Company" and besides a bonus equal to 15 times the average dividend as per Article 7 paragraph (d) during the last 5 working years, after payment of which all connections between the "Administration" and the "Company" will cease and this Agreement be void.

If on the other hand the "Company" should desire to retire from the "Mines" then the "Administration" will return to the "Company," the capital invested by the "Company" and no other profits will be paid.

ARTICLE 10.—It is understood and agreed that all financial obligations between the "Administration" and the "Company" provided for in this Agreement, shall be a first charge upon the property and assets of the "Mines" and in case such properties and assets should prove insufficient to repay the share-value, or interest thereon, or any part of such share-value, no residual liability shall rest with the Chinese Government or authorities nor with the members of the Shareholders of the "Administration" or the "Company" beyond their interest in the "Mines" themselves.

ARTICLE 11.—During the continuance of the association between the "Administration" and the "Company," the "Administration" shall not be entitled to enter into any engagement without the consent of the "Company" and preference shall be given to the "Company" to negotiate or take up any loan, which the "Administration" might wish to raise in connection with the development of Mining in the District of Ching Hsing. But if after 15 years Article 9 should come into force the "Administration" shall be free to enter into engagements or conclude loans without reference to the "Company."

On the other hand the "Company" shall not without the consent of the "Administration" transfer its rights or shares in the "Mines" to any other party.

ARTICLE 12.—H. E. the Director General on behalf and with the assistance of H. E. the Viceroy of Chihli will exert all his influence to secure for the "Mines" the same terms and rates of transportation on the railways of China for its coal and other products and for its incoming machinery and supplies as may from time to time be enjoyed by the most favored of other concerns of the same character. The "Mines" shall have the right to build Byeroads and Railways for the transportation of their output within the limits of the geological property of the "Administration" and further on to join on to the great trunk lines, provided such rights do not interfere with the Ching-Han Tcheng-Tai Railway lines ‡ and with the temple buildings and grave yards.

In case the "Mines" wish to make use of this right beyond a radius of 10 *li* from the mining area, it will be necessary to hand in a general plan of such proposed railways to the Director General who will apply for a special permission from the Government.

‡ The "Ching-Han" is the Peking-Hankow, the "Tcheng-Tai" is the Chengtingfu-Taiyuanfu Railway.

ARTICLE 13.—The royalties to be paid to the Chinese Government and to the local and provincial authorities shall not exceed in the aggregate five per cent (5%) on the tonnage extracted from the mines. This tax shall be paid on the basis of the output at the pitsmouth being one Ku-Ping Hai Kwan Pei-Pao tael per ton. Duty and Likin shall be the same as paid by the Chinese Engineering and Mining Company Limited, namely eighty four (84) large cash per ton for Likin and twelve and a half Ku-Ping Hai Kwan Pei-Pao tael cents (Tls. 0.125) per ton for duty.

Besides the Likin and Royalty no other duties shall be payable except the ordinary land tax. Coal sold to the Railways, Government offices and other official undertakings shall only pay the official Royalty. It is agreed that in the event of other foreign-Chinese Company's coal and mining output paying Likin and duties lower than those mentioned, such reduced rates shall also be applied to the output from the " Mines."

In case of any new mining regulations being issued by the Board of Agriculture Works and Commerce in the future, it will be decided by his Excellency the Viceroy of Chihli how far such new regulations are to be adopted as binding for the " Mines " who will act in conformity with such decision.

ARTICLE 14.—All materials and other things destined for the Mines shall pay the Imperial Customs duty but shall be free of all other dues or Likin.

ARTICLE 15.—H. E. the Viceroy of Chihli will give his protection and support to all the enterprises of the " Mines," shall exercise full authority over the " Mines " and his orders shall be obeyed and respected as far as they are not contrary to the interest of the undertaking.

ARTICLE 16.—In case disputes shall arise between the parties hereto, each of them, the " Administration " and the " Company " shall appoint an arbitrator to settle the difference and in case of disagreement between the arbitrators, an umpire shall be appointed by the arbitrators whose decision shall be final.

ARTICLE 17.—The Chinese version of this agreement is drawn up in six copies which will be signed by the Representatives of the " Administration " and the " Company."

An English version of the Agreement shall be attached to each copy, both versions having been carefully compared are acknowledged to be fully alike; if however in later time any difference of opinion should arise as to the terms of this Agreement the Chinese version thereof shall be treated as authoritative.

After the six copies have been duly signed, they shall be submitted to his Excellency the Viceroy, who shall affix his seal thereto, after which this Agreement shall be presented for Imperial sanction.

One set shall be kept in the Viceroy's Yamen.

One set shall be kept in the Customs Taotai's Yamên.

Two sets shall be kept by the " Administration."

Two sets shall be kept by the " Company."

To each set is attached a copy of the map.

Tientsin the 14th April, 1908.

Note.

On June 10, 1910, the Ching Hsing Mines entered into the following mortgage indenture with the Banque de l'Indo-Chine:

Mortgage of Ching Hsing Mines to Banque de l'Indo-Chine, June 10, 1910.

THIS INDENTURE made this 10th day of June, 1910, at Tientsin, in the Empire of China.

BY AND BETWEEN THE CHING HSING KUANG WU CHU (Ching Hsing Mines) an Association formed by the CHIHLI CHING HSING MINING ADMINISTRATION, and the CHING CHING GESELLSCHAFT m.b.h. a limited liability joint stock company registered under the German law in the German Consulate at Tientsin, under the terms of an agreement between the said Administration and the said Company dated the 14th day of April, 1908, and which received Chinese Govermental sanction by Imperial Rescript on the 5th day of August, 1908, to own and operate certain coal mines in the said District of Ching Hsing in the Province of Chihli, of the Empire of China, party of the first [part] hereinafter referred to as the KUANG WU CHU and the BANQUE DE L'INDO-CHINE, a banking society organized under the laws of France and having a branch office at Tientsin aforesaid, hereinafter referred to as the BANK,

WITNESSETH THAT:

WHEREAS the aforesaid agreement of association forming the Kuang Wu Chu by Article VI thereof, empowers the Chinese and foreign managers of the said Kuang Wu Chu, acting conjointly to borrow money for the purposes expressed in said agreement, and, by Article X thereof, limits the liability of the parties to said agreement to the actual investment of the said parties in the said Kuang Wu Chu for the time being, and excludes all liability for further contribution by the said parties. The Articles VI & X of the Agreement of association between the Chihli Ching Hsing Administration and the Ching Ching Minen Gesellschaft m.b.h. forming the Kuang Wu Chu and referred to above are to be part of this Mortgage Indenture and read in accordance with the original agreement as follows:

"ARTICLE VI.—If in the course of time the funds of 'the Mines' should prove to be insufficient to carry on the business and if new funds must be provided for, this might be done by increasing the Capital of 'The Mines' and in such a case the 'Administration' and the 'Company' shall have each to provide one-half of this increase or 'the Mines' shall be authorized to supply the necessary funds by raising a loan. Which of the two ways will have to be adopted shall be a matter to be mutually decided by the two co-managers.

"ARTICLE X.—It is understood and agreed that all financial obligations between the 'Administration' and the 'Company' provided for in this agreement, shall be a first charge upon the property and assets of 'The Mines' and in such a case such properties and assets should prove insufficient to repay the share-value or interest thereon or any part of such share-value, no residual liability shall rest with the Chinese Government or Authorities nor with the members of the shareholders of the 'Administration' or the 'Company' beyond their interest in 'The Mines' themselves" and,

WHEREAS the Kuang Wu Chu by resolution of its Chinese and foreign managers has authorised a loan of Tientsin Hongping Hupao Taels Seven hundred and Fifty thousand (Tls. 750,000) secured by bonds to be issued in three series of Tls. 250,000 each, the first series on the first day of July, 1910, the second series on the first day of July, 1912, and the third series on the first day of July, 1914, or as to the second and third series at such other times as the Chinese and foreign co-managers may determine upon the following conditions, that is to say:

(a) The said Bonds and the interest thereon are payable at the Offices of the Kuang Wu Chu in Tientsin in Hupao Silver by weight in Tientsin Hongping Taels, or if the same be not then current, in the reformed Imperial Chinese silver coin when the same is established, at the rate per Tientsin Hongping Hupao Tael in force in the Imperial Government mints at the respective times of payment.

(b) The said Bonds bear INTEREST at the rate of SEVEN per centum per annum, payable at the Offices of the Kuang Wu Chu in Tientsin semi-annually on the first days of January and July in each year after the year of issue.

(c) The said Bonds shall be issued to bearer only.

(d) Repayment of the principal sum of the said Bonds shall begin on the first day of July, 1916, and shall be completed by the first day of July, 1923, the designation of the Bonds to be repaid in each year being made by lot, but at any time within the eight year period of repayment so provided, the Kuang Wu Chu has the right to redeem at par on six months notice published once a month for six months in the official organ of the French Municipality at Tientsin, and in one English newspaper published in Tientsin, the whole sum of Bonds, principal and accrued interest, then outstanding.

NOW THEREFORE, for the better security of the said Bonds, the Kuang Wu Chu hereby mortgage to the Bank, its successors or assigns all its property of whatsoever description, movable or immovable, corporeal or incorporeal, situated within the District of Ching Hsing or elsewhere, now owned by the Kuang Wu Chu or hereafter acquired,

ON CONDITION, HOWEVER, that so long as the Kuang Wu Chu shall well and truly pay all instalments of interest and principal of the said Bonds as and when they fall due, the Bank shall not enter into possession of the said property nor in any manner interfere with the operation of the Kuang Wu Chu but in the event that the Kuang Wu Chu shall continue for ten days in default in the complete payment of any sum due according to the terms of any of the said Bonds outstanding when such payment is due, then the right of the Bank to take possession on behalf of the Bondholders of the property hereby mortgaged shall at once mature and shall be exercised by the Bank. Thereafter, in such event the Bank shall, so soon as may be, by four weeks' notice published once a week for four weeks in the official organ of the French Municipality at Tientsin, and in one English newspaper published in Tientsin, call a meeting of the holders of the outstanding Bonds and shall act in accordance with the instructions of any committee selected by such meeting, but not otherwise than to operate the mines of the Kuang Wu Chu and to employ its other property with the sole object of recovering by such operation and employment, after payment of all expenses, the balance due upon the Bonds then outstanding, and the interest thereafter accruing, after which recovery in full the property taken into possession by the Bank shall be returned to the Kuang Wu Chu.

The committee appointed at the first meeting may be replaced in whole or in part, and the instructions given by the committee to the Banque de l'Indo-Chine may be modified, at any subsequent meeting:

For the first meeting, the holders of a simple majority of the Bonds then outstanding shall constitute a quorum, and all resolutions shall be binding which are carried by a majority of the Bonds represented by those present. In the event of a failure of a quorum, the meeting shall stand adjourned to reconvene four weeks later, when any number of bonds represented shall form a quorum.

The first meeting provided for in the paragraph next above shall establish rules for the calling of subsequent meetings and fix the powers of such meetings.

At any time during the possession of the mortgaged property by the Bank, the Kuang Wu Chu may redeem the same by paying in full all amounts then due on account of the principal and interest of the Bonds then outstanding and the outlay of the Bank in the expense of taking possession and of operation and maintenance so far as such outlay has not been recovered from profits of operation.

No sale of the mortgaged property nor any part of it by the Bank, whether privately or by auction, shall be valid without the sanction of the Imperial Government, excepting always current sales of mine products and sales of disused or useless plant and materials, while the property is in the possession of the Bank.

During the life of this mortgage, the Kuang Wu Chu shall make no sale of any of the mortgaged property, excepting always sales of its mine products and of disused or useless plant and materials, without the consent of the Bank.

So soon as all the Bonds, principal and interest secured by this mortgage, and all outlay of the Bank on their behalf are fully paid this mortgage shall be null and void, and each party shall cancel and deliver up to the other the original executed copy held by it, otherwise it shall remain always in full force.

Neither the Kuang Wu Chu, nor either party to the agreement of association forming the Kuang Wu Chu, nor anyone holding a share therein derived of either such party, nor the Imperial Chinese Government Central, Provincial or Local, shall be liable for any deficit after the exhaustion of the property hereby mortgaged, but the Bondholders shall look to such property alone and the operation of the mines hereby mortgaged for repayment of principal and interest.

The Bank shall have no liability whatever to the Bondholders in respect of any payment due by the Kuang Wu Chu or in respect of any act of the Bank in pursuance of the provisions of this mortgage, or, so soon as the Bank in the event of default by the Kuang Wu Chu has issued a call for a meeting of Bondholders, for any omission of the Bank.

The Kuang Wu Chu covenants that it is the sole proprietor of the mortgaged property and that it has good right to mortgage the same.

The Kuang Wu Chu further covenants that the mortgaged property is free and unencumbered and that this mortgage constitutes a first mortgage upon the mortgaged property having priority over all other claims whatsoever, saving Imperial Chinese Government taxes which taxes the Kuang Wu Chu covenants always to pay as and when they become due.

IN WITNESS WHEREOF, the parties hereto have hereunto set their names and seals by their duly authorised officers at Tientsin aforesaid, the day and year first above written.

NUMBER 1908/8.

JAPAN AND CHINA.

Agreement for a Chinese-Japanese Joint Stock Lumber Company for the Exploitation of the Yalu Timber.—May 14, 1908.*

NATUNG, a Minister of the Chinese Wai-wu Pu, and Baron GONSUKE HAYASHI, Minister Plenipotentiary of Japan, being duly authorised thereto by their respective Governments, have drawn up Regulations for a joint Chinese and Japanese Timber Company, as provided for in Article X of the Supplementary Manchurian Agreement of 1905,† as follows:—

ARTICLE I.—An area shall be marked out on the right bank of the Yalu, extending from Maoerhshan to Erhshihszetaokou and measuring 60 *li* inland from the main stream. (A delegate shall be appointed by the Fengtien province to define the area and put up boundary marks conjointly with a Japanese delegate.) The gathering of timber within the area will be carried on with the joint capital and under the joint management of China and Japan. As a beginning, both countries shall appoint officers who shall open offices and commence work. At the end of a year, when all arrangements have been completed and agreed on, the two countries shall invite their merchants to take up the enterprise.

ARTICLE II.—The joint Chinese and Japanese Timber Company shall be styled the Yalu River Timber Company.

ARTICLE III.—The capital of the Company shall be $3,000,000, of which China and Japan shall each contribute half.

ARTICLE IV.—The head office of the Company shall be established at Antung, and the Company, upon report to the Superintendent, shall open branch offices wherever they are deemed necessary.

ARTICLE V.—The Company shall protect the existing Chinese timber-cutting industry. Except the area to be marked out in accordance with Article I and in which the Company shall cut timber, all places beyond its boundaries, as well as the forests of the Hun River, shall continue as before to be worked by Chinese wood-cutters. These shall apply to the Company for loans wherewith to carry on their industry, and all timber cut by them—with the exception of sleepers for the railway companies in Kiangsu and Chekiang provinces, and timber for the use of the inhabitants along the river, which shall be purchased direct from the said wood-cutters—shall be sold exclusively to the Company. In the disposal of timber, the Company shall sell at market prices, and shall not create a monopoly.

ARTICLE VI.—When the Chinese Government, or Government offices, pur-

* Translation, as printed in *Customs*, vol. II, p. 760, from the Chinese text.
† No. 1905/18, *ante*.

chase under *huchao* timber which has either been felled by the Company or bought from wood-cutters, the Company shall sell at cost price.

ARTICLE VII.—The Company shall be allowed to carry on their business for a term of 25 years, on the expiration of which, if the Chinese Government shall be satisfied with the working of the Company, a petition may be sent to the Chinese Government for an extension of the term.

ARTICLE VIII.—The Company shall have one Superintendent who shall be the Taotai of the Eastern Circuit, appointed by the Governor of Fengtien; and two Managers, one Chinese and one Japanese, whose appointments shall be made by their respective countries. Other assistants, skilled employés, etc., shall be appointed by joint selection and consent of the managers. The managers shall not employ persons of other nationalities in connexion with wood-cutting in the assigned area without the approval of the Superintendent.

ARTICLE IX.—The Company shall, at the end of each year, prepare a report on the year's business and a statement of receipts and expenditure, to be submitted to the proper authorities of the two countries.

ARTICLE X.—After the expenditure of the Company shall have been deducted from the receipts, five per cent. of the net profit shall be appropriated to the Chinese Government, and the remainder shall be distributed among the shareholders of the two countries. The disbursements of the Company shall be under due control, and periodical estimates of salaries and other expenditure shall be submitted to the Superintendent for his approval.

ARTICLE XI.‡—Within one month after the conclusion of this Agreement, the Governor of Fengtien and the Japanese Consul-General at Fengtien shall each appoint a delegate to draw up detailed regulations for the management of the Company, which, when agreed upon, shall become the regulations of the Company; and within three months thereafter the Company shall commence business. For new rules subsequently enacted by the Company the Superintendent's approval will be necessary.

ARTICLE XII.—As to the duties payable by the Company on timber, when the discussion of the detailed regulations takes place at Fengtien (Moukden), the delegates of the two countries shall inquire into the established rates of timber taxes and shall negotiate with the local authorities with a view to a reduction of such taxes. The machinery and the implements necessary for wood-cutting imported by the Company shall be exempted from duty and likin.

ARTICLE XIII.—After the inauguration of the Company the Japanese Government shall effect the removal of the timber sheds now in existence on the Yalu.

Peking:

15th day, 4th moon, 34th year of Kuang Hsü:
14th day, 5th moon, 41st year of Meiji.

‡ See Note to this document, *post*, p. 733.

Note.

The following is a translation from a Japanese text of the regulations agreed upon September 11, 1908, in pursuance of the provisions of Article XI:

Regulations for Sino-Japanese Yalu Timber Company, September 11, 1908.

"S. Okabé, His Imperial Japanese Majesty's Consul, and Chang Hsi-Lan, Imperial Chinese Commissioner of the Finance Department at Mukden, having received instructions from their respective Governments, have in accordance with Clause XI of the Agreement of the 14th of May, 1908, for the establishment of a Yalu Timber Company, agreed upon the following regulations for the governance of the said Company, to wit:

"1.—The Company will be conducted in accordance with the agreement between the Chinese and Japanese Governments of the 14th of May, 1908, for the joint exploitation of the Yalu Timber, and in accordance with the present Regulations it has been agreed that the Company will be established from the 25th of September, 1908.

"2.—In accordance with the agreement signed in Peking the two Governments will appoint officials to establish a company.

"(*a*) After the lapse of one year, when everything is in working order, merchants will be requested to undertake the business.

"(*b*) Regulations for the issue of shares will be drawn up after the inauguration of the present Company.

"3.—The Capital of the said Company is fixed at $3,000,000 which on the day of the establishment of the Company is to be contributed in equal shares by the Chinese and Japanese Governments. When the Company is transferred to a merchant association, the whole of the said capital will be withdrawn.

"4.—The Capital is to be paid up in Chinese Dollars and all receipts and expenditures must be calculated in such currency. The money will be deposited partly in Chinese and partly in Japanese Banks as shall be determined by the Managers of the Company.

"5.—The following shall be the officers of the Company:

1) One Superintendent
2) Two Chief Managers
3) Two or more sub-Managers
4) Experts and other officials.

"(*a*) The Viceroy and Governor of Fengtien Province have appointed the Taotai of the Eastern Frontier as Superintendent of the Company.

"(*b*) Of the Chief Managers one shall be appointed by the Chinese and one by the Japanese.

"(*c*) The sub-Managers shall be appointed by the Chief Managers in consultation.

"(*d*) Experts and other officials will also be appointed by the Chief Managers, but such appointments must be distributed equally between Chinese and Japanese subjects.

"6.—The salary of the Superintendent shall be $15,000 per annum, that of the Chief Managers $10,000 per annum. The salaries of the sub-Managers will be determined by the Chief Managers in consultation.

"7.—The number and salaries of the Experts and other officials will be determined by the Chief Managers in consultation with the Superintendent.

"8.—The correspondence and accounts of the Company, being of the greatest importance, will be rendered in both Chinese and Japanese. The two Governments will appoint auditors who will inspect the working of the Company and all the accounts and correspondence. They shall be empowered to demand from the Company all kinds of documents and any information as to the condition of the Company.

"9.—The accounts of the Company will be rendered in accordance with the Chinese Calendar.

"(*b*) When the Company is handed over to a mercantile association a final balance sheet will be at once issued.

"10.—The Company is formed from Capital supplied jointly by China and Japan. Unless by mutual agreement the Company may not of its own initiative borrow money to extend its operations.

"11.—Five per cent of the profits of the Company must be placed to a Reserve Fund. When such reserve fund has reached an amount equal to one-third of the capital of the Company, it shall remain at that amount. Just as is laid down in the preceding clause this reserve must not be used except under mutual agreement.

"12.—The Chief Managers must prepare and submit to the Superintendent for approval a statement of their estimates for the receipts and expenditures of each year. In such estimates there must be a clear discrimination between the items of expenditure and income.

"13.—To all that relates to receipts and expenditures as well as in other matters involving joint calculations the Chief Managers must after consultation report their decision to the Superintendent.

"14.—As regards the taxes on the timber cut by the Company they must be paid in accordance with the old 'Shan-chia-Ko' tariff but with a twenty per cent reduction. The Company has nothing to do with the boat tax as levied under former conditions. Other charges such as inspection of timber, police protection and similar taxes are altogether remitted. If timber is exported by steamer the export duty in accordance with the Customs Tariff will be paid as a substitute for the boat tax. Payment of the 'Shan-chia-Ko' tax in accordance with precedent will be made by the Company at the time of the sale of the timber. The business of the Company, its receipts, implements used in cutting logs, etc., will be free from taxation. The local land tax must, however, continue to be paid, in accordance with former regulations.

"15.—The Chekiang Railway Company may contract for, and buy timber needed by them from lumber merchants, but a document must be given by the said Company stating the particulars of all such timber which must be presented to the Taotai of the Eastern Frontier and sealed by him. At the time of the export of any such consignment the Superintendent of the Company will depute an officer to inspect the lumber before releasing it.

"16.—With the exception of the wood required for their own needs, the settlers on either bank of the Hun river must sell their timber exclusively to the Company. It has already been provided in the Peking Agreement that the local authorities must issue a proclamation to this effect. Hereafter, if there should be any violation of the Peking Agreement, the Company will inform the local authorities who shall take measures to punish the offenders without leniency.

"17.—The Company will undertake the responsibility of making suitable arrangements for the supervision of rafting logs—such arrangements must be decided upon by the two Chief Managers conjointly, and submitted to the Superintendent for his approval.

"(*b*) The Timber companies now in existence must at the time of the establishment of this Company be dissolved and the local authorities shall issue proclamations to this effect.

"18.—In accordance with the Peking Agreement the Company may cut timber on the right bank of the Yalu from Maoerhshan as far as the 24th tributary within a distance of sixty (60) Chinese *li* on either side of the main said stream. The two Governments will appoint officers who will conjointly make a survey map and mark on it the extent of such concession.

"19.—The Company must investigate the conditions of the forests to be cut down, the order in which the trees are to be cut, the extent of the district in which cutting will take place in each year, and the nature of the trees, must be shown on a map and reported for the approval of the Viceroy and Governor.

"20.—Chinese laborers only must be employed by the Company in cutting and moving timber and in constructing and navigating rafts, so as to help the inhabitants of the district in their livelihood. In the event of the engagement of a person of any other nationality, the consent of the superintendent must be obtained.

"21.—Although the timber business is to be conducted by the Company, Chinese timber brokers may continue their business as heretofore but at the proper time they must make satisfactory arrangements with the Company.

"SUPPLEMENTARY AGREEMENT

"1.—The Chinese Dollars mentioned in Clause 4 of the main Agreement are Peiyang Dollars. Hereafter, should the Manchurian dollar obtain a stable circulation the change from Peiyang to Manchurian dollars will be discussed.

"(*b*) The original capital may be subscribed in Taels to be converted into Peiyang Dollars at the current rate of the day of the inauguration of the Company.

"2.—In accordance with Article VI of the Peking Agreement timber required by the Chinese Government or Chinese *yamens* or offices will be furnished by the Company at the cost of labor plus the duty. The Company may charge in addition the amount of the wages of its employees.

"3.—The initial outlay for the establishment of the Company not exceeding $70,000 will be temporarily advanced by the two Governments.

"4.—Requests to the banks for providing money, will be signed jointly by the two Chief Managers.

"5.—China will make necessary arrangements for any police work required by the Company.

"6.—The above arrangements are provisional but when the Company is turned into a mercantile association, if found satisfactory they may be continued.

"(*b*) At the time of handing over the Company to the merchants the question as to which officials in the employ of the Company are to be retained and which dropped will be continued.

"(Signed and sealed 11th September, 1908.)"

NUMBER 1908/9.

JAPAN AND THE UNITED STATES.

Convention for the reciprocal protection of inventions, designs, trademarks and copyrights in China.—May 19, 1908.*

The President of the United States of America and His Majesty the Emperor of Japan being desirous to secure in China reciprocal protection for the inventions, designs, trade marks and copyrights of their respective citizens and subjects have resolved to conclude a convention for that purpose and have named as their Plenipotentiaries, that is to say:

The President of the United States of America, Robert Bacon, Acting Secretary of State of the United States; and

His Majesty the Emperor of Japan, Baron Kogoro Takahira, Shosammi, Grand Cordon of the Imperial Order of the Rising Sun, His Ambassador Extraordinary and Plenipotentiary to the United States of America;

Who, after having communicated to each other their Full Powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I.—Inventions, designs and trade marks duly patented or registered by citizens or subjects of one High Contracting Party in the appropriate office of the other Contracting Party shall have in all parts of China the same protection against infringement by citizens or subjects of such other Contracting Party as in the dominions and possessions of such other Contracting Party.

ARTICLE II.—The citizens or subjects of each of the two High Contracting Parties shall enjoy in China the protection of copyright for their works of literature and art as well as photographs to the same extent as they are protected in the dominions and possessions of the other party.

ARTICLE III.—In case of infringement in China by a citizen or subject of one of the two High Contracting Parties of any invention, design, trade mark or copyright entitled to protection in virtue of this convention the aggrieved party shall have in the competent territorial or consular courts of such Contracting Party the same rights and remedies as citizens or subjects of such Contracting Party.

ARTICLE IV.—Each High Contracting Party engages to extend to the citizens or subjects of the other Contracting Party the same treatment in China in the matter of protection of their commercial names as they enjoy in the dominions and possessions of such Contracting Party under the convention for the protection of industrial property signed at Paris March 20, 1883. "Hong" marks shall be considered to be commercial names for the purpose of this convention.

ARTICLE V.—Citizens of possessions belonging to the United States and

* Text as printed in *U. S. Treaty Series*, No. 507. Printed also in *Malloy*, p. 1043; *Am. Int. Law Journal, Supplement*, 1908, p. 353; *Traités et Conventions, Supplement*, p. iv.

subjects of Korea shall have in China the same treatment under the present convention as citizens of the United States and subjects of Japan respectively.

ARTICLE VI.—It is mutually agreed between the High Contracting Parties that the present convention shall be enforced so far as applicable in any other country in which either Contracting Party may exercise extraterritorial jurisdiction.

All rights growing out of the present convention shall be recognized in the insular and other possessions and leased territories of the High Contracting Parties and all legal remedies provided for the protection of such rights shall be duly enforced by the competent courts.

ARTICLE VII.—Any person amenable to the provisions of this convention who possesses at the time the present convention comes into force merchandise bearing an imitation of a trade mark owned by another person and entitled to protection under said convention shall remove or cancel such false trade mark or withdraw such merchandise from market in China within six months from the date of the enforcement of this convention.

ARTICLE VIII.—Unauthorized reproductions by the citizens or subjects of one High Contracting Party prior to the operation of this convention of the works of literature and art as well as photographs of the citizens or subjects of the other Contracting Party published after the 10th day of May, 1906, and entitled to protection in virtue of this convention shall be withdrawn from sale or circulation in China within one year from the date of the enforcement of this convention.

ARTICLE IX.—The present convention shall be ratified and the ratifications thereof shall be exchanged at Tokyo as soon as possible.† It shall come into force together with the convention relative to the protection of inventions, designs, trade marks and copyrights in Korea, ten days after such exchange of ratifications.

In witness whereof, the respective Plenipotentiaries have signed the present convention in duplicate and have thereunto affixed their seals.

Done at the City of Washington the 19th day of May in the nineteen hundred and eighth year of the Christian era corresponding to the 19th day of the 5th month of the 41st year of Meiji.

ROBERT BACON [SEAL.]
K. TAKAHIRA [SEAL.]

† Ratifications exchanged August 6, 1908.

NUMBER 1908/10.

INTERNATIONAL AND CHINA.

Revised regulations for arms and ammunition.—May 30, 1908.*

1°.—Military Arms and Ammunition.—Before arms and ammunition are imported by any department of the Chinese Government, the particulars (denomination, number of packages, port of entry, destination, etc.) must be telegraphed to the Ministry of War (Lu-chün Pu) by the Tartar General, Viceroy, or Governor concerned, who may issue the necessary *Huchao* only after receipt of the Ministry's telegraphic approval. These particulars will be sent on to the Shui-wu Ch'u by the Ministry for transmission to the Superintendents and—through the Inspector General—to the Commissioners of Customs concerned. Permission to land such cargo will then be given, provided that the number of packages is found to be in agreement with the *Huchao*. The date of actual importation is to be reported in every instance to the Shui-wu Ch'u, for transmission to the Ministry of War.

2°.—Samples of Military Arms and Ammunition.—Foreign merchants desiring to import samples of arms and ammunition for exhibition to Chinese Government departments must obtain from the Superintendent of Customs, through their Consuls, a Permit to Import, upon presentation of which at the Custom House, together with the Application, permission to release will be given.

On each occasion not more than four rifles of any one kind and ammunition for same not exceeding two thousand rounds in all may be imported.

The merchant concerned is to give a bond to the Customs guaranteeing that the samples in question will not be sold to any person whatever. Such samples of arms, etc., must be produced for Customs inspection whenever demanded.

In the event of suspicious circumstances the Superintendent of Customs can refuse to issue a Permit, informing the Consul in writing of his decision.

3°.—Arms and Ammunition for Self-defence.—(*a.*) Every respectable foreigner entering China from abroad, by sea or land, may carry in his luggage for self-defence one pistol and one revolver and a supply of cartridges for the same not exceeding five hundred rounds in all, but must declare them at time of entry to the Customs, who will release them after examination. Any contravention of this provision entails confiscation of the arms, etc., not declared.

(*b.*) Every respectable foreign resident in China desiring to import arms and ammunition for self-defence must, previous to their importation, obtain

* Translation (from Chinese text) furnished by the Inspectorate General of Customs, as printed in the minutes of the Meeting of the diplomatic body at Peking, June 13, 1908. Printed also in Inspectorate-General's Circular No. 1520 (Second Series), May 30, 1908.

These regulations were adopted at the instance of the diplomatic body, in amendment of Rule III appended to the revised import tariff of 1902 (here printed as an annex to the American commercial treaty of October 8, 1903, No. 1903/5, *ante*).

See Note to this document, *post*, p. 740.

from the Superintendent of Customs, through his Consul, a Permit to Import, upon presentation of which at the Custom House, together with the Application, permission to release will be given. Each person is allowed to import for self-defence, once only during any one year, one pistol, one revolver, and a supply of cartridges for same not exceeding five hundred rounds in all.

In the event of suspicious circumstances the Superintendent of Customs may refuse to issue a Permit, informing the Consul in writing of his decision.

(*c.*) Foreigners, duly provided with passports, proceeding as travellers to the interior of China, or to Tibet, Mongolia, Turkestan, etc., will be allowed to carry with them, declaration having been duly made, arms and ammunition for self-defence not exceeding twice the quantities fixed above.

(*d.*) No other arms may be imported by foreigners for self-defence under the above provisions except pistols and short-barrelled revolvers carried on the person.

The importation of any other kind of military and naval arms and ammunition is only permitted (i) if they are for use as samples and covered by a Permit to Import issued by the Superintendent of Customs, (ii) if they are imported on behalf of Chinese Government departments, military, naval, or civil, and covered by a genuine certificate which has been duly recognised by the Superintendent of Customs.

Foreigners must not fraudulently import military arms and ammunition under pretext of their being for personal use.

4°.—Sporting Arms and Ammunition.—(*a.*) Every respectable foreigner entering China from abroad, by sea or land, may carry in his luggage not more than three sporting guns and a supply of cartridges for same not exceeding three thousand rounds in all, but must declare them at time of entry to the Customs, who will release them after examination and payment of duty. Any contravention of this provision entails confiscation of the guns, etc., not so declared. In the event of old guns being thus imported with fresh ammunition, both may be passed free of duty.

(*b.*) Every respectable foreign resident in China desiring to import sporting guns or cartridges must, previous to their importation, obtain from the Superintendent of Customs, through his Consul, a Permit to Import, upon presentation of which at the Custom House, together with the Application, permission to release will be given.

Each foreign resident is only allowed to import, once in any one year, a number of sporting guns not exceeding three and a supply of cartridges for same not exceeding three thousand rounds in all. In the event of suspicious circumstances the Superintendent of Customs can refuse to issue a Permit, informing the Consul of his decision in writing.

(*c.*) Respectable foreign firms are permitted to import sporting shot-guns and ammunition only, for which they must likewise obtain a Permit to Import from the Superintendent of Customs through their Consuls. At the time of importation they must also hand a bond to the Custom House guaranteeing that such articles will not be sold, directly or indirectly, to law-breakers of any kind The number of sporting guns which may be thus imported by any one firm at

one time is not to exceed six if ordered by specified persons, whose names and addresses have to be reported to the Custom House on the Import Application, but may not exceed four if not so ordered and if bought for stock. Registers are to be kept by the firm, in which are to be entered in detail the number of sporting guns and ammunition thus imported, the names and addresses of the purchasers, and the dates of delivery. These registers will be open for Customs inspection when called for.

The total number of all kinds of sporting cartridges combined imported by a foreign firm in one consignment must not exceed ten thousand rounds.

(*d.*) The expression "sporting guns and cartridges imported by foreigners" refers exclusively to sporting shot-guns and ammunition for same. Military arms and ammunition must not be fraudulently imported under any pretext.

5°.—Registers.—A special record of all importations of arms and ammunition for the personal use of foreigners, giving the importer's name and nationality, the date, number of packages, etc., will be kept at every port by the Superintendent as well as by the Commissioner of Customs, in which the amount of duty collected in every instance will also be noted. Similarly, a special record of arms and ammunition imported by or for the Chinese Government is to be kept, giving the purchasing Government department, the provincial authority which issued the *Huchao* and the number of such *Huchao,* the number of packages, etc. At the end of every year copies of these records will be submitted to the Shui-wu Ch'u.

6°.—Prohibition on Importation of Military Arms and Ammunition.—The importation of such military or naval arms and ammunition as have not been purchased by Chinese Government departments, military, naval, or civil, continues to be prohibited in accordance with the existing treaties.

7°.—Duty Treatment.—Duty at the rate of 5 per cent. *ad valorem* will be collected on arms and ammunition imported under the provisions of rules 2°, 3°, and 4°.

8°.—Transhipment.—Permission to tranship at Shanghai arms and ammunition imported for purposes of self-defence or sport by foreigners residing at other ports will be given if the Shanghai Consul concerned applies to the Shanghai Customs, giving the name of the purchaser and the number of packages. On arrival of such transhipment cargo at the port of destination, the purchaser will still have to obtain from the Superintendent of Customs, through his Consul, the necessary Permit to Import to be presented with the cargo in question to the Customs, who will release it after examination and payment of duty.

9°.—Provision against Abuses.—The above regulations, based on the new rules drawn up by the Shui-wu Ch'u, have been revised in a liberal sense with a view to obviating certain inconveniences pointed out by the Diplomatic Corps. They are to come into force from the 1st July 1908, the beginning of the 192nd quarter. Arms and ammunition imported before that date are to be dealt with in accordance with the original regulations.

The present revised rules will be amended from time to time as required, to provide against such abuses as may arise after they have come into operation.

Note.

A tenth (and additional) article, regarding the procedure for better control of arms and ammunition stored by Foreign Merchants, was proposed by the Chinese Government to the diplomatic body on November 20, 1915, and accepted by the dean in its behalf by a note to the Wai Chiao Pu under date of January 5, 1916. The official English version is as follows:

Tenth (Additional) Article of the revised Regulations for Arms and Ammunition May 30, 1908.

"(*a*) With regard to fire-arms and ammunition, of any kind whatsoever, now in the possession of foreign firms or merchants—with the exception of revolvers for personal self-defence or sporting guns, as also ammunition for the said revolvers and sporting guns, as well as samples of arms and ammunition, no matter where they are stored (foreign settlements included) or when and under what authority they were imported, the owner, holder, or agent shall report to the Customs before the 31st January, 1916, the exact numbers held by him and deliver a bond testifying that these numbers are correct. Should the report not be made out within the above time limit or should a false report be made out, on discovery or denunciation of the fact the stock shall be confiscated to the Chinese Government. If it is necessary for Chinese officials to enter a Settlement for purposes of inspection, an official communication may be addressed to the foreign officials of the Settlement requesting their assistance. Inspection shall be effected by the competent foreign authorities at the request of the Chinese officials; the latter shall be allowed when it is deemed necessary to attend the said inspection.

"(*b*) After the Customs Officers have verified the exact figures of the quantity of arms and ammunition declared and guaranteed as correct by the owner, holder, or agent of the arms and ammunition, a certificate shall be issued to the said owner, holder, or agent, who will remove the exact quantity of arms and ammunition specified on the said certificate to the Customs special warehouse.

"As regards warehouse charges and all such matters in this general connexion, the said owner, holder, or agent must abide by the regulations governing the Customs warehouse concerned. Such arms and ammunition may not be sold to other persons unless a Huchao permitting it is issued by the Chinese Ministry of War or of Marine.

"(*c*) Any arms and ammunition that have already been imported into a Chinese port by a foreign firm and that it is desired to forward to a foreign port shall be reported to the Maritime Customs, and the Customs shall instruct the said merchant to deliver a bond specifying the steamer by which they are to be shipped and the country they are sent to.

"(*d*) Whenever a foreign merchant vessel arrives at a Chinese port the munitions of war carried by the said vessel for self-defence must be entered in a list, which is to be signed by the master of the vessel and sent to the Customs for inspection. Should the quantity of arms and ammunition actually carried by the vessel exceed the amount specified in the list, then the matter shall be treated as a case of smuggling. When a merchant vessel is about to depart the Customs officers should carefully ascertain whether the quantity of munitions of war carried agrees with the list or not.

"(*e*) Arms and ammunition for foreign troops stationed in China are not affected by the paragraphs (*a*) to (*d*) above."

NUMBER 1908/11.

SWEDEN AND CHINA.

Treaty of friendship, commerce and navigation (with additional article of May 24, 1909).—July 2, 1908.*

His Majesty the King of Sweden and His Majesty the Emperor of China, desiring to maintain firm, lasting and sincere friendship and to extend further

* Official English text as published by the Swedish Government in *Svensk Författingssamling,* 1909, No. 113. Printed also in *Customs,* vol. II, p. 97; *Am. Int. Law Journal, Supplement,* 1910, p. 337; *Tyau,* p. 258; *B. & F. State Papers,* vol. 101 (1907-1908), p. 945.

the commercial relations between their respective countries, and having resolved to conclude a Treaty of Friendship, Commerce and Navigation, have for that purpose named as their Plenipotentiaries, that is to say:

His Majesty the King of Sweden:

Gustaf Oscar Wallenberg, His Majesty's Envoy Extraordinary and Minister Plenipotentiary at the Court of Peking, and

His Majesty the Emperor of China:

His Excellency Lien Fang, His Majesty's High Commissioner Plenipotentiary and Senior Vice-President of the Wai Wu Pu;

Who having communicated to each other their respective Full Powers, and found them to be in good and due form, have agreed upon and concluded the following Articles:

ARTICLE I.—There shall be, as there have always been, perpetual peace and friendship between His Majesty the King of Sweden and His Majesty the Emperor of China, and between their respective subjects, who shall enjoy equally in the respective countries of the High Contracting Parties full and entire protection of their persons and property.

ARTICLE II.—It is agreed by the High Contracting Parties that His Majesty the King of Sweden may, if he see fit, accredit a Diplomatic Representative to the Court of Peking, and His Majesty the Emperor of China may, if he see fit, accredit a Diplomatic Representative to the Court of Stockholm.

The Diplomatic Representatives thus accredited shall enjoy all the prerogatives, privileges and immunities accorded by international usage to such Representatives, and they shall also in all respects be entitled to the treatment extended to similar Representatives of the most favoured nation.

Their persons, families, suites, establishments, residences and correspondence shall be held inviolable. They shall be at liberty to select and appoint their own employés, couriers, interpreters, servants and attendants without any kind of molestation.

His Royal Swedish Majesty's Representative shall be given audience of His Majesty the Emperor of China whenever necessary to present his Letters of Credence or any communication from the King of Sweden. His Imperial Chinese Majesty's Representative shall be given audience of His Majesty the King of Sweden whenever necessary to present his Letters of Credence or any communication from the Emperor of China. The ceremonial adopted at the Courts of the High Contracting Parties as regards the Representatives above mentioned shall conform in all respects with the usages of nations of equal rank, without any loss of prestige on one side or the other.

The English text of all notes or despatches from Swedish officials, and the Chinese text of all notes or despatches from Chinese officials, shall be authoritative.

ARTICLE III.—His Majesty the King of Sweden may appoint Consuls-General, Consuls, Vice-Consuls and Consular Agents to reside at such of the ports, cities and towns of China, which are now or may hereafter be opened to foreign residence and trade, as the interests of the Kingdom of Sweden may require.

His Majesty the Emperor of China may appoint Consuls-General, Consuls,

Vice-Consuls and Consular Agents to reside at all places in Sweden where Consular officers of other nations are now or may hereafter be allowed to reside, as the interests of the Empire of China may require.

The Consuls and other officials of the High Contracting Parties shall treat each other with due respect, and they shall enjoy each in the other's country all the attributes, authority, privileges and immunities, which are or may hereafter be extended to similar officers of the most favoured nation.

On the arrival of a Consul, who has been duly appointed, at his post, it shall be the duty of the Diplomatic Representative to inform the Minister of Foreign Affairs, who shall in accordance with international usage forthwith issue the proper recognition of the said Consul, without fee or charge. Such recognition, however, may be withdrawn, should it be found that the said Consul has contravened international usage in the performance of his duties. At places where no Consul is appointed as aforesaid, the Consul of a friendly nation may be requested to perform the functions. At places where there is no Consular Representative the local authorities shall see that the subjects of the other Contracting Party enjoy the benefits of the present Treaty.

ARTICLE IV.—Chinese subjects may proceed to and from any place in Sweden with their merchandise for purposes of trade. Swedish subjects may proceed to and from any place in China which is now or may hereafter be opened to foreign Commerce, with their merchandise for purposes of trade. The subjects of the High Contracting Parties may in accordance with existing rules and with the privileges enjoyed by subjects of the most favoured nation carry on trade, industries and manufactures or pursue any other lawful avocations at all the places above mentioned, rent or purchase houses for residence and for business purposes, rent or lease land, build houses, churches, cemeteries and hospitals, and take persons into their service and employ them in any lawful capacity without restraint or hindrance from the local authorities. They shall in all respects enjoy the same privileges and immunities as are now or may hereafter be granted by the High Contracting Parties to the subjects of the most favoured nation.

ARTICLE V.—The Tariff and Tariff Rules † now in force, or hereafter concluded, between China and the Foreign Powers shall be applicable to all articles imported into China by Swedish subjects or from Sweden, or exported from China by Swedish subjects or to Sweden. In no case shall the import or export duty thus paid be other or higher than the duty on similar articles which is paid by subjects of the most favoured nation.

The Tariff Rules now in force, or hereafter concluded, between China and the Foreign Powers shall also be applicable to articles the importation and exportation of which is prohibited, and to duty free articles.

Articles duly imported into China by Swedish subjects, upon which import duty has been paid, and which it is desired to convey to an inland market and to clear of all Transit duties by payment of a single commutation Transit tax or duty; and articles for export purchased in China elsewhere than at an open port, upon which export duty has been paid, and which it is desired to clear of

† See tariff and rules, here printed as an annex to the American commercial treaty of October 8, 1903 (No. 1903/5, *ante*).

all Transit duties by payment of a single commutation tax or duty; shall be treated according to the existing Rules between China and the Foreign Powers. The transit tax or duty shall in no case exceed that which is paid by subjects of the most favoured nation.

Goods transported from one Treaty Port to another, or temporarily stored in a bonded warehouse at a Treaty Port, or re-exported, by Swedish subjects, shall be subject to the general Regulations now in force, or the new supplementary Regulations which may hereafter be negotiated, between China and the Foreign Powers.

Chinese articles imported into Sweden, or articles of other nations imported into Sweden by Chinese subjects, shall pay an import duty no higher or other than that which is paid by the subjects of the most favoured nation.

The Chinese Authorities at the several open ports shall adopt such means as they may judge most proper to prevent the revenue suffering from fraud or smuggling.

ARTICLE VI.‡—Swedish merchant vessels may proceed to all the Treaty Ports of China already opened or which may hereafter be opened, for the transportation of merchandise and for purposes of trade. They may also proceed to the inland waters in China which foreign merchant vessels are at liberty to navigate, and to the ports of call along the rivers for the purpose of landing and shipping passengers and goods. In all these matters they shall be subject to the Rules and Regulations concluded by China with other foreign powers.

If a Swedish vessel should unlawfully enter ports other than open ports and ports of call in China, or carry on clandestine trade along the coast or rivers, the vessel with her cargo shall be subject to confiscation by the Chinese Government.

Chinese merchant vessels may proceed to and from any of the harbours in Sweden which other foreign merchant vessels are at liberty to frequent, for purposes of trade and for the shipping and landing of passengers and goods.

The merchant vessels of the High Contracting Parties shall enjoy most favoured nation treatment in each other's dominions.

Merchant vessels of the High Contracting Parties may hire boats in each other's ports for the conveyance of passengers and goods, and may engage the services of pilots for the purpose of entering or leaving port. They shall pay the tonnage dues or other fees or charges according to the existing Regulations in the two countries, but they shall not be required to pay other or higher tonnage dues or fees or charges than the vessels of the most favoured nation. Should a vessel of either of the High Contracting Parties be stranded or wrecked on the coast of the other, the local authorities shall immediately adopt measures for rescuing the passengers and crew and to give the most favoured nation treatment. In the case of a vessel sustaining injury, or being compelled for other reason to seek a place of refuge, such vessel shall be permitted to enter any near port and to anchor there temporarily, without being subject to the payment of tonnage dues. The cargo, if landed in order to effect the necessary repairs to the vessel, but not for sale, shall not be liable to pay duties, provided that it remains under the supervision of the Customs Authorities.

‡ In connection with this article, see the additional article of May 24, 1909 (p. 747).

ARTICLE VII.—The vessels of both the High Contracting Parties, which are at liberty to trade freely at open ports in time of peace, shall, in the event of either of the High Contracting Parties being at war with any foreign nation and for that reason excluding the vessels of that nation from her ports, be entitled none the less to continue to pursue their commerce in freedom and security and to transport goods to and from the ports of the belligerent powers, full respect being paid to the neutrality of the flag in strict compliance with the usages of neutrality, provided that the said neutral flag shall not protect vessels engaged in the transportation of troops, and that the said flag shall not be illegally used to enable the enemy's ships with their cargoes to enter the ports of the High Contracting Party concerned. Vessels offending against the above provisions shall be subject to confiscation by the Government offended.

ARTICLE VIII.—The ships of war of either of the High Contracting Parties, provided previous notice has been given, shall be admitted into the ports of the other, where such vessels of other nations are allowed to enter, and shall receive the same treatment as ships of war of the most favoured nation. They shall receive from the local Authorities every facility for the purchase of coal and provisions, for procuring water, and if occasion requires, for the making of repairs.

Ships of war shall be exempt from the payment of all duties both on arrival and departure.

The Commanders of ships of war shall hold intercourse with the superior officers of ports on terms of equality.

ARTICLE IX.—Swedish subjects may travel to all parts of the interior of China under passports issued by Swedish Consuls and countersigned by the local authorities. These passports, if demanded, must be produced for examination in the localities passed through. If the passports be not irregular, the bearers will be allowed to proceed and they shall be at liberty to hire persons, animals, carts or vessels for their own conveyance or for the carriage of their personal effects or merchandise. If the Swedish subjects be without passports or if they commit any offence against the law, they shall be handed over to the nearest Consul for punishment; but they shall only be subject to necessary restraint and in no case to ill usage. Such passports shall remain in force for a period of twelve months from the date of issue. Swedish subjects travelling in the interior without passports shall be liable to a fine not exceeding three hundred taels. They may, however, go without passports on excursions from any of the ports open to trade, to a distance not exceeding one hundred Chinese *li* and for a period not exceeding five days. The provisions of this Article do not apply to crews of ships.

Chinese subjects shall be at liberty to travel throughout the territory of Sweden, provided that they conduct themselves peaceably and do not violate the laws and regulations of the country.

ARTICLE X.—The duly authorized Swedish Authorities shall hear and decide all cases brought against Swedish subject by Swedish subjects, or by the subjects or citizens of any other foreign Power, without the intervention of the Chinese Authorities.

However, as China is now engaged in reforming her judicial system it is hereby agreed that as soon as all other Treaty Powers have agreed to relinquish their extra-territorial rights, Sweden will also be prepared to do so.

Charges or complaints of a civil nature brought by the subjects of either of the High Contracting Parties against the subjects of the other shall be heard and decided impartially by the Authorities who have jurisdiction over the defendants, in accordance with the procedure observed in similar charges or complaints brought by subjects of the most favoured nation.

Subjects of either of the High Contracting Parties charged with the commission of any crimes or offences shall be tried by the Authorities who have jurisdiction over the accused with the procedure observed in similar cases of the most favoured nation, and, if found guilty, shall be punished in accordance with the laws of their own country.

ARTICLE XI.—If Swedish subjects in China, who have committed offences or have failed to discharge debts and fraudulently abscond in order to evade a summons or a warrant of arrest, should flee to the interior of China or take refuge in houses occupied by Chinese subjects or on board Chinese ships, the Chinese Authorities shall, at the request of the Swedish Consul, deliver them to the Swedish Authorities.

In like manner, if Chinese subjects in China, who have committed offences or have failed to discharge debts and fraudulently abscond, should take refuge in houses occupied by Swedish subjects in China or on board Swedish ships in Chinese waters, they shall be delivered up at the request of the Chinese Authorities made to the Swedish Authorities.

Such offenders shall in no case be shielded or withheld from arrest by either of the High Contracting Parties.

ARTICLE XII.—The principles of the Christian religion, as professed by the Protestant and Roman Catholic churches, are recognized as teaching men to do good and to do to others as they would have others to do to them. Those who quietly profess and teach these doctrines shall not be harassed or persecuted on account of their faith. Any person, whether Swedish subject or Chinese convert, who, according to these tenets, peaceably teaches and practises the principles of Christianity shall in no case be interfered with or molested therefor. No restrictions shall be placed on Chinese joining Christian Churches. Converts and non-converts, being Chinese subjects, shall alike conform to the laws of China; and living together in peace and amity, shall pay due respect to those in authority. The fact of being a convert shall not protect a Chinese subject from the consequences of any offence he may have committed before or may commit after his admission into the church, or exempt him from paying legal taxes levied on Chinese subjects generally, except taxes and contributions levied for the support of religious customs and practices contrary to their faith. Missionaries shall not interfere with the exercise by the native authorities of their jurisdiction over Chinese subjects; nor shall the native authorities make any distinction between converts and non-converts, but shall administer the laws without partiality so that both classes may live together in peace.

Swedish missionary societies shall be permitted to rent and to lease in per-

petuity, as the property of such societies, buildings or lands in all parts of the Empire for missionary purpose, and, after the title deeds have been found in order and duly stamped by the local authorities, to erect such suitable buildings as may be required for carrying on their good work.

ARTICLE XIII.—It is hereby declared that the provisions of the Treaty now existing between Sweden and China, in so far as they are not modified by stipulations of the present Treaty, shall continue in full force, and it is further expressly stipulated that the Governments, Officers and Subjects of both of the High Contracting Parties shall be allowed free and full participation in all privileges, immunities, and advantages which have been or may hereafter be granted by either of the High Contracting Parties to the Governments, Officers and Subjects of any other Treaty Powers, in regard to commerce, navigation, shipping, industries or property.

The High Contracting Parties reserve to themselves the right to conclude agreements regarding frontier trade with neighbouring countries, and it is understood that, in case either of the High Contracting Parties should hereafter grant to any other nation advantages subject to special conditions, the other High Contracting Party shall enjoy said advantages only provided it complies with the conditions imposed therein or their equivalent, to be mutually agreed upon.

ARTICLE XIV.—The Agreements, Rules and Regulations subsisting between and binding both China and the Treaty Powers, so far as they are applicable and not inconsistent with the provisions of this Treaty, shall be binding on both of the High Contracting Parties.

ARTICLE XV.—It is agreed that either of the High Contracting Parties may demand a revision of the Articles of this Treaty at the end of ten years from the date of the exchange of the ratifications; but if no such demand for the revision is expressed on either side within six months after the end of the first ten years, then the Treaty in its present form shall remain in force for ten years more, reckoned from the end of the preceding ten years, and so it shall be at the end of each successive period of ten years.

ARTICLE XVI.—This Treaty, shall on the exchange of ratifications by His Majesty the King of Sweden and by His Majesty the Emperor of China, be kept and sacredly guarded in the following manner, viz:

The original Treaty as ratified by the Emperor of China shall be deposited at Stockholm, the capital of His Majesty the King of Sweden, in charge of the Ministry of Foreign Affairs; and as ratified by the King of Sweden shall be deposited at Peking, the capital of His Majesty the Emperor of China, in charge of the Wai-Wu-Pu.

The High Contracting Parties agree that immediately after the exchange of ratifications, the provisions of this treaty shall be published in order that the officials and people of the two countries may know and observe them.

ARTICLE XVII.—The present Treaty is signed in the Swedish, Chinese and English languages. In order, however, to prevent future discussions, the Plenipotentiaries of the High Contracting Parties have agreed that in case of any divergence in the interpretation between the Swedish and Chinese text of the Treaty, the difference shall be settled by reference to the English text.

The ratifications of this Treaty, under the hand of His Majesty the King of Sweden and of His Majesty the Emperor of China respectively, shall be exchanged at Peking within a year from the date of signature.§

In token whereof the respective Plenipotentiaries have signed and sealed this Treaty—two copies in Swedish, two in Chinese and two in English.

Done at Peking, this second day of July in the Year of Our Lord One Thousand Nine Hundred and Eight corresponding with the Chinese date the Fourth Day of the Sixth Moon of the Thirty-Fourth Year of Kwang Hsu.

(Signed) G. O. Wallenberg. Lien Fang.

ADDITIONAL ARTICLE.

The following additional article which has to-day been concluded and signed by the undersigned Gustaf Oscar Wallenberg, His Swedish Majesty's Envoy Extraordinary and Minister Plenipotentiary at the Court of Peking, and by His Excellency Lien Fang v. President of the Wai-Wu-Pu, both being duly authorised thereto by their respective Governments, shall form part and be appended to the Treaty between Sweden and China which was signed and concluded at Peking on the 2nd of July 1908, corresponding with the Chinese date the Fourth Day of the Sixth Moon of the Thirty-Fourth Year of Kwang Hsu.

Additional Article:—It is expressly agreed by the High Contracting Parties, that the provisions of Article IV of the present Treaty shall in no respect whatever confer upon Swedish subjects in China or upon Chinese subjects in Sweden any privileges or immunities, other than those already granted or which may hereafter be granted to the subjects or citizens of the most favoured nation.

Done at Peking, May twenty fourth in the Year of Our Lord One Thousand Nine Hundred and Nine corresponding with the Chinese date sixth day of the fourth moon of the first year of Hsuan Tung.

(Signed) G. O. Wallenberg. Lien Fang.

NUMBER 1908/12.

FRANCE (Banque de l'Indo-Chine), GREAT BRITAIN (Hongkong & Shanghai Banking Corporation) AND CHINA.

Agreement for a loan of £5,000,000 to the Board of Posts and Communications.—October 8, 1908.*

This agreement is made between the Board of Posts and Communications at Peking, acting for and on behalf of the Imperial Government of China under

* Text as printed in *Wang*, p. 79. Printed also in *For. Rel.*, 1908, p. 203.

The primary purpose of this loan was the redemption of the Peking-Hankow Railway loan issued under the contract of June 26, 1898 (No. 1898/13, *ante*). See also the prospectus of the seven per cent. Peking-Hankow Railway redemption loan of the same date (No. 1908/13, *post*).

§ Ratifications were exchanged at Peking, June 14, 1909.

the authority of an Imperial Edict dated the fourteenth day of the ninth month of the thirty-fourth year of the Emperor Kuang-hsü (being the 8th day of October 1908), hereinafter called the Board, of the one part, and the Hongkong and Shanghai Banking Corporation and the Banque de l'Indo-Chine, hereinafter called the Contracting Banks, of the other part.

1.—The Imperial Chinese Government hereby authorizes the contracting Banks, either by themselves or associated with others, to issue an Imperial Chinese Government Gold Loan, in one issue, of the amount of Five million pounds sterling.

Of the proceeds of this loan the Imperial Chinese Government will employ eighty per cent in Europe to complete the redemption of certain railway loans; the balance of the proceeds, namely twenty per cent, will be employed by the Board of Posts and Communications in productive works of public utility coming within the Department and functions of that Board.

2.—The term of the loan shall be thirty years, and the principal shall be repaid to the bondholders in twenty equal annual instalments of Two hundred and fifty thousand pounds (£250,000) commencing with the eleventh year; but the Imperial Chinese Government on giving a previous notice of six months to the contracting Banks, shall have the right to redeem the whole loan, or increase the regular redemption by extra drawings, after the fifteenth year and up to the twenty-third year inclusive by the payment of a premium of two and one half per cent upon the par value of each extra bond so redeemed, that is to say by the payment of £102.10 for each £100 bond, and shall have the right to redeem the whole loan or increase the regular redemption by extra drawings, after the twenty-third year at par. Any such extra drawings must take place in Europe on the date of an ordinary drawing provided for in the Prospectus of the loan.

3.—The loan shall bear interest during the first fifteen years at the rate of five per cent per annum, and thereafter from the sixteenth year, at the rate of four and one half per cent per annum on the nominal principal from time to time outstanding, and the interest shall be paid to the bondholders half-yearly. The interest shall commence from the date on which the loan is issued to the public, and will cease upon complete redemption of the loan.

4.—The service of principal and interest of this loan due to the bondholders shall be paid in equal shares to the contracting Banks in Shanghai by the Board, who will hand to those Banks, ten days before the due date of every yearly payment of principal and half-yearly payment of interest as calculated from the date of issue of the loan, funds in Shanghai sycee sufficient to meet each payment in gold in Europe, the exchange for which will be settled by the contracting Banks on the same day on a fair basis after arrangement with the Board; but the Board will have the option of settling exchange in equal shares with the two contracting banks at any date or dates within six months previous to the due date of any payment. These payments may be made in gold in Europe should the Imperial Chinese Government have funds in Europe at its disposal, not remitted for the purpose, and desire so to employ them.

In reimbursement of expenses connected with the payment of interest and

the repayment of principal of the loan to the bondholders, the Board will pay to the contracting banks with each payment of the loan service a commission of two per mille on such payment, that is to say a commission of £2 on every £1000.

5.—The service of principal and interest of this loan will be paid from the surplus revenues of the various productive works of public utility controlled by the Board of Posts and Communications; in the event of these surplus revenues being insufficient, other revenues will be selected to make up the deficiency.

The Board will further, from and after the date of the first coupon, and during the currency of this loan, leave on fixed deposit in equal shares with the two contracting banks in Shanghai, the estimated silver equivalent of the payment of interest next due. In like manner, from and after the end of the tenth year, the Board will also leave on fixed deposit with the contracting banks in Shanghai the estimated silver equivalent of the instalment of principal next due. These fixed deposits will be renewed and adjusted half yearly on the dates on which interest coupons become due to the bondholders, the silver equivalents of interest and/or principal which they represent being calculated at the rate of exchange or average rate of exchange, settled for the remittance of loan service made ten days previously. Interest on these deposits shall be allowed by the contracting Banks at their advertised rates for the time being for twelve months fixed deposits, subject to any change of rate from the date of such change and will be payable half-yearly.

6.—The contracting Banks shall issue, and are hereby authorised to issue to subscribers to the loan, bonds for the total amount of the loan in gold, in such languages and for such amounts as shall appear advisable to the contracting Banks. The form of the bonds shall be decided in consultation with the Chinese Ministers in London and Paris, who shall seal the bonds with their official seals as evidence that the Imperial Chinese Government is bound thereby.

Cancelled bonds will be handed by the contracting Banks to the Chinese Minister in London or Paris.

In the event of bonds issued for this loan being lost, stolen or destroyed, the contracting Banks shall immediately notify the Chinese Minister in London or Paris thereof, who shall authorise the contracting Banks to insert an advertisement in the public newspapers notifying that payment of the same has been stopped, and to take such other steps as required by the laws of the country. Should such bonds not be recovered after the lapse of time provided by the law, the Banks will require from the claimants the requisite guarantees together with proof of loss in the usual form for examination by the Chinese Minister in London or Paris as the case may be, who will then, without further authority from the Chinese Government, seal and execute duplicate bonds for a like amount, and hand them to the contracting Banks, by whom all expenses in connection therewith shall be defrayed.

Coupons and drawn bonds not presented for payment within thirty years after the date of their maturity shall be forfeited to the Imperial Chinese Government.

7.—The Imperial Chinese Government hereby unconditionally guarantees and declares itself responsible for the due payment of the principal and interest

of this loan, which is further hereby secured by a first charge, free from all encumbrances, upon the following provincial revenues:

Province of Chekiang.	
House tax, wine excise, pawn-shop licenses, title deeds tax, amounting per annum to	Tls. 400,000
Old and new additional tax on salt, amounting per annum to	600,000
Province of Kiangsu.	
New additional tax on salt, amounting per annum to	Tls. 700,000
House tax, amounting per annum to	300,000
Province of Hupei.	
Old and new additional tax on Szechuan and Huai Salt, amounting per annum to	Tls. 600,000
Tax on tobacco, wine and sugar, house and land title deeds tax, amounting per annum to	400,000
Province of Chihli.	
Tobacco, wine and miscellaneous Duties, amounting per annum to	Tls. 800,000
Salt Commissioner's Treasury, revenue from additional salt tax, amounting per annum to	200,000
New additional tax on salt, amounting per annum to	250,000
Total Kuping Taels	4,250,000

It is understood that the security of this loan over the above annual revenues is limited to Kuping Taels Four millions two hundred and fifty thousand (Kuping Taels 4,250,000) irrespective of collection; if more is collected it will not be included in the security.

In the event of default of payment of any installment of principal and/or interest of this loan at due date, the Imperial Chinese Government will instruct the provincial authorities in control of the said provincial revenues to hand them over to the contracting Banks.

So long as this loan or any part thereof shall be unredeemed, it shall have priority, both as regards principal and interest, over all future loans, charges and mortgages charged on the said security of the provincial revenues herein assigned. No loan, charge or mortgage shall be raised or created which shall take precedence of or be on an equality with this loan, or which shall in any manner lessen or impair its security over the said provincial revenues as stipulated above, and any future loan, charge or mortgage charged on the said provincial revenues shall be made subject to this loan, and it shall be so expressed in every agreement for every such future loan, charge or mortgage.

8.—All bonds and coupons, and payments made and received in connection with the service of this loan, shall be exempt from Chinese taxes and imposts.

9.—All details necessary for the Prospectus and connected with the service to the bondholders of the interest and repayments of the principal of this loan, not herein explicitly provided for, shall be left to the arrangement of the contracting Banks, who shall issue and are hereby authorized to issue a Prospectus of the loan. The Imperial Chinese Government will instruct the Chinese Ministers in London and Paris to co-operate with the contracting Banks in any matters requiring conjoint action, and the Chinese Ministers in London and Paris will approve and sign the Prospectus of the loan.

10.—The contracting Banks hereby take this entire loan of Five million pounds firm at the price of Ninety-four per cent (94 per cent) to the Chinese

Government. Of the resulting net proceeds of this loan, namely Four million seven hundred thousand pounds (£4,700,000), the sum of Three million seven hundred and sixty thousand pounds (£3,760,000) will be held to the order of the Board in Europe on the tenth day of December 1908, and the balance, namely Nine hundred and forty thousand pounds (£940,000) will be held to the order of the Board in Europe on the fifth day of February, 1909. .

Transfers of the loan funds to China will be made by the contracting Banks at rates of exchange which will be settled on a fair basis after arrangement with the Board. The Board will give to the contracting Banks ten days previous notice of the transfer to China of any sum exceeding £20,000.

If any of the loan funds are left on deposit with the contracting Banks in London or Paris, interest will be allowed at rates to be settled by mutual arrangement between the contracting Banks and the Board.

11.—All expenses in connection with the flotation and issue of this loan, such as underwriting, commission and brokerage telegraph charges, advertising, postage, printing of Prospectus and bonds, stamp duty and legal fees, shall be borne by the contracting Banks.

12.—In the event of an extraordinary political or financial crisis in Europe or elsewhere, by which the prices of Chinese, British or French securities become so seriously affected as to render it impossible to float this loan on the terms herein named, the contracting Banks shall have the right to withdraw from this contract, which shall in that case become null and void, subject to any arrangement between the contracting parties for an extension of time.

13.—The Hongkong and Shanghai Banking Corporation and the Banque de l'Indo-Chine shall take the loan in equal shares and without responsibility for each other.

14.—This agreement is signed under the authority of an Imperial Edict dated the fourteenth day of the ninth month of the thirty-fourth year of the Emperor Kuang-hsü (being the 8th day of October, 1908) which will be officially communicated without delay by the Wai-wu-pu to the Ministers for Great Britain and France in Peking.

15.—Quadruplicate sets of this agreement are executed in English and Chinese, one set to be retained by the Board, one set by the Wai-wu-pu, and one set by each of the contracting Banks. In the event of any doubt arising with regard to the interpretation of this contract, the English text shall rule.

Signed at Peking by the contracting parties this Fourteenth day of the Ninth month of the Thirty fourth year of the Emperor Kuang Hsü, being the Eighth day of October, One thousand nine hundred and eight, Western Calendar.

[*Seal*] For the
HONGKONG AND SHANGHAI
BANKING CORPORATION,
Agents,
[*Signed*] E. G. Hillier.
J. McArthur.

[*Seal of the* BOARD OF POSTS
AND COMMUNICATIONS]
[*Chinese Signatures*]

[*Seal and Signatures of the*
BANQUE DE L'INDO-CHINE]

NUMBER 1908/13.

CHINA.

Prospectus of the Seven Per Cent Peking-Hankow Railway redemption loan for $10,000,000.—October 8, 1908.†*

1.—The Board of Posts and Communications, for the purpose of redeeming the Peking-Hankow Railway, has decided to raise a loan to be called " The Peking-Hankow Railway Redemption Loan."

2.—The total amount of the first issue of the Loan will be $10,000,000 (Ten Million Dollars) payable in any kind of dollars obtaining currency.

3.—The Loan will bear interest at 7 per cent per annum payable half yearly, in the 3rd and the 9th moon, either by the Committee in charge appointed by the Board; or by the Head and Branch Offices of the Chiao-tung Bank, or by any of the Chinese Imperial Railway Offices, or by the Head Office of the Chinese Imperial Telegraph Administrations and its branch offices, or by the Agents hereafter to be appointed for this service whose addresses will be published in the newspapers. All the foregoing will be authorised to pay the amount due for interest and extra dividend on presentation of the Loan Bonds issued by the Board.

4.—In the event of the Chinese Government deriving a profit from the earnings of the Peking-Hankow Railway, the Bondholders, besides the yearly interest on the Loan, will also participate in this profit to be called extra dividend. The capital of the line amounts to Tls. 58,000,000 (Fifty Eight Million Taels). If in any year the Government's share of the profit should amount to Tls. 4,000,000 (Four Million Taels), the Board will then reserve one quarter of this sum, i.e. Tls. 1,000,000 (One Million Taels), for distribution as extra dividend which will be divided proportionately according to the whole capital of fifty eight million taels. The Board will memorialize the Throne and publish annually the amount of profit, ¼ of which will be made available for extra dividends. This privilege of participating in the extra dividends does not however confer upon Bondholders the right to interfere with or examine the accounts.

5.—The Loan is guaranteed by the Board of Posts and Communications which undertakes to repay both the Capital and Interest under all circumstances. In the event of a loss in the working of the Railway, Bondholders will not be held liable for any such loss.

6.—A special Committee in charge of the Loan service shall be appointed by the Board. The Head and Branch Offices of the Chiao-tung Bank and all the Chinese Imperial Railway and Telegraph Offices are also authorised to receive subscriptions for Bonds of this Loan.

* English text as published by the Board of posts and communications. See Note to this document, *post*, p. 755.

† The date is that of the imperial edict sanctioning the prospectus.

7.—The Loan is fixed for a term of 12 years, and redeemable by annual drawings commencing from the 8th year, and thereafter for 5 years to the 12th year.

8.—Interest on the Loan shall commence from the day following that on which subscriptions are paid in at the Agencies.

9.—The drawn Bonds may, for commercial business, be circulated as dollars of currency among the Head and all Branch Offices of the Chiao-tung Bank established by the Board of Posts and Communications, as well as at the Chinese Imperial Railway and Telegraph Offices and all the Railway Stations.

10.—The Loan is issued in Bonds to Bearers regardless of holders' names and they may be bought or sold freely. The Bearers of the Bonds are recognized only and all persons holding them will be treated in the same way as native subjects and must obey the Regulations of this Prospectus.

11.—In the event of the loss or destruction of Bonds, such loss or destruction will be treated in accordance with the regulations of the public Banks for the loss of a Bank note.

12.—Bonds, the words or numbers of which have been either obliterated or altered, are declared nil and useless. The Bonds are printed in the Chinese language.

DETAILS.

1.—The first issue of the Loan will be for a sum of $10,000,000 (Ten Million Dollars) to be divided into one hundred thousand Bonds of $100 (One Hundred Dollars) each and numbered consecutively 1—100,000.

2.—The term of the Loan is for a period of 12 years with Interest payable twice a year, so that there will be 24 periods for paying Interest. Separate Interest Coupons are also given which are the only evidence recognized for drawing Interest on each period.

3.—All Bonds are stamped on their faces with the Seal of the Board of Posts and Communications.

4.—All Bonds are only marked with Numbers and not with the names of their holders. They may be sold or bought freely, and are only recognized by their Bearers.

5.—The Board of Posts and Communications will appoint a Committee to control all the affairs of the Loan, and Agencies for other places will be decided upon by the Board and made known to the public in due time by advertisement in the newspapers.

6.—The dates of issuing, payment, and closing will be notified in the newspapers by the Committee in charge at the order of the Board.

7.—The Loan is to be issued at par. Each Bond will be sold for $100 (One Hundred Dollars) according to its face value, and will be redeemed also at par.

8.—The Loan, after deducting the amounts contracted for by underwriters, is to be raised from the public by Agents at different places. In the event

of any person or persons undertaking to underwrite for the whole amount of the Loan, then there will be no necessity for soliciting subscriptions from the public.

9.—Any one desiring to sell the Bonds on behalf of the Board must first register his name at the Agent's office.

10.—On the closing of the applications, if the sum applied for just cover or be under that required, then the full number of Bonds shall be allotted to those who applied for that number. This rule excludes the underwriters.

11.—But if the number of Bonds applied for be over that required to be raised, then the Bonds will be allotted proportionately to those who applied for them. The allotment, which depends upon the total number of Bonds applied for, can only be settled after the time of closing. This rule excludes the underwriters.

12.—Interest on payments made after the date of issuing, but before the date of closing, shall commence from the day following that on which such payments are made.

13.—Payments are to be accepted in dollars of currency, and if it is paid with silver in taels, the taels must be reduced into dollars according to the local rate of exchange on that date.

14.—The Loan fund shall be deposited at the Chiao-tung Bank, and an account of it kept for report to the Committee in charge who will draw on the funds from time to time to meet expenditures, the balance to be treated under the Bank regulations governing ordinary Cash deposits.

15.—The Interest of the Loan will be payable in two periods each year, i.e., on the first day of the third and the ninth moon and may be drawn any time after it becomes due, but if not drawn within three months after it is due, it will be carried forward to the next period. The first payment of the interest (depending upon the different dates when Loan funds are paid), shall be reckoned by the number of days.

16.—When Interest becomes due, Bondholders may receive or draw money in dollars from the Agents.

17.—All payments of Interest will be paid with dollars of currency.

18.—In the payment of Interest, Coupons are the only proof required. When Bondholders receive or draw their Interest and Extra Dividend they must bring the Coupons and show them to the Agents. After being examined and paid, the Coupons shall be stamped and returned to their owners.

19.—The amount of Extra Dividend for each Bond will be paid once a year on the first day of the 9th moon together with the Interest payable on that date. The Extra Dividend for the 1st year will commence from the 1st January, 1909 (Western Calendar), and distributed the following year on the 1st day of the 9th moon (Chinese Calendar).

20.—The period of the Loan is for 12 years. Commencing from the date when the Loan begins down to the end of the 7th year, interest only is to be paid but not the Loan Capital. The Loan Capital will be repaid from the 8th year down to the end of the 12th year. The total number of Bonds to be redeemed each year will be advertised 6 months in advance.

21.—Two months previous to the date of annual repayment of Loan Capital, the drawing of the Bond numbers will take place. 100,000 tickets consecutively numbered will be put together into the same receiver and separately drawn according to the amount of repayment required for that year. For instance if $1,000,000 (One Million Dollars) are to be repaid, 10,000 (Ten Thousand) tickets must be drawn out. The Bonds will, when drawn, be paid off.

22.—The drawn numbers will be published next day in the newspapers and in due time the Bondholders, on surrendering their Bonds to their respective agents, will be paid in dollars.

23.—Bondholders, on their Bond numbers being drawn, must take all their Bonds and interest Coupons when going to their respective agents for money, in order that these may be cancelled after the money is paid and sent to the Committee in charge for inspection.

24.—If after three years from the due date of payment, owners of drawn Bonds fail to present their Bonds to the Agent for payment, the said Bonds will be declared nil and void.

25.—Agents who, on behalf of the Board, sell the Bonds at or exceeding a value of $10,000 (Ten Thousand Dollars) will be given a discount of ½%, at or above $100,000 (One Hundred Thousand Dollars) 1%, at or above $1,000,000 (One Million Dollars) 1½%, and at or above $3,000,000 (Three Million Dollars) 2%.

26.—Agents undertaking to contract for the loan for a sum of $10,000 (Ten Thousand Dollars) or over will be given a discount of 1%, at or above $100,000 (One Hundred Thousand Dollars) 1½%, at or above $500,000 (Five Hundred Thousand Dollars) 2%, at or above $1,000,000 (One Million Dollars) 2½%.

27.—Those who sell Bonds to the total value of $125,000 (One Hundred and Twenty Five Thousand Dollars) will, besides their discount, be given rewards for services rendered (by memorial), and special rewards will be given (by memorial) to those who sell Bonds to the total value of $500,000 (Five Hundred Thousand Dollars).

28.—The Loan Bonds are to be purchased by the free will of the people and must not be given to the local officials to force the rich gentry to buy against their will.

Note.

In connection with this loan see also the Peking-Hankow Railway loan agreement of June 26, 1898 (No. 1898/13, *ante*); and the loan agreement between the Board of Communications and the Hongkong & Shanghai Bank and the Banque de l'Indo-Chine, October 8, 1908 (No. 1908/12, *ante*).

It is understood that by an agreement with the Chiao-tung Bank (*i.e.*, the Bank of Communications) under date of August 1, 1910—no text of which is available—Messrs. Dunn, Fischer & Company, of London, purchased bonds of this redemption loan to the nominal value of $5,000,000: these bonds were thereafter floated by the company, jointly with the London City and Midland Bank, as indicated by the following extracts from their prospectus of September 24, 1910:

"The List will open on Monday, the 26th day of September, 1910, and close on or before Wednesday, the 28th day of September, 1910.

IMPERIAL CHINESE GOVERNMENT 7 PER CENT. PEKING-HANKOW RAILWAY REDEMPTION LOAN.

(ISSUED BY THE BOARD OF POSTS AND COMMUNICATIONS.)

"Entitled in addition to the fixed interest of 7 per cent. to a participation in the profits resulting from the operation of the Railway, as mentioned herein.

"AUTHORIZED BY IMPERIAL EDICT OF 8TH OCTOBER, 1908.

"SALE OF £450,000 (STERLING) OF BONDS.
(PART OF THE ABOVE LOAN.)

"REPRESENTED BY BOND CERTIFICATES AS MENTIONED BELOW.

"The total amount of the first issue of the Loan is $10,000,000 (Peking Currency), but in respect of the $5,000,000 of Bonds (equal to £450,000 as above), the Board of Posts and Communications of the Imperial Chinese Government has undertaken to guarantee the payment of Capital and Interest in sterling. This undertaking will be endorsed on every Bond.

"The Bonds are to Bearer in denominations of $100 (Peking Currency) each, the equivalent being fixed at £9 (sterling). They are redeemable at par by annual drawings during the period commencing in 1916 and ending in 1920. The number of Bonds to be redeemed each year will be advertised six months in advance. The Principal and Interest of the Bonds are payable free from all Chinese Taxes and Imposts, present or future.

"The Coupons are payable at the Chiao-tung Bank in Peking, half-yearly, on the 1st day of the 3rd and 9th Moon of the Chinese Calendar. The extra dividend (if any) resulting from the profits of operation of the railway will be paid on the 1st day of the 9th Moon of each year.

"THE LONDON CITY & MIDLAND BANK, LIMITED,
AND
Messrs. DUNN, FISCHER & COMPANY
are prepared to receive applications for the purchase of the above-mentioned Bond Certificates of £99 each issued by the London City & Midland Executor and Trustee Company, Ltd., representing £450,000 (Sterling) 7 per cent. Imperial Chinese Government Bonds
AT THE PRICE OF £108 PER CENT.
(Being £106 18s. 5d. for every Bond Certificate of £99), payable as follows:

£10	0	0	on Application.
£11	18	5	" Acceptance.
£85	0	0	" 23rd October, 1910.
£106	18	5	

"The following is a copy of a letter, addressed to Messrs. Dunn, Fischer, and Co., from His Excellency the Minister for China in London:

"Chinese Legation, London,
August 31st, 1910.

"Messrs. DUNN, FISCHER & CO.,
41, Threadneedle Street, London, E.C.

"Gentlemen,

"IMPERIAL CHINESE GOVERNMENT 7 PER CENT. PEKING-HANKOW RAILWAY REDEMPTION LOAN.

"In reply to your letters of the 26th, 27th, and 29th instant, I have to acquaint you that I have received a telegram from the Board of Posts and Communications in Peking instructing me to hand to you:—

"1. Copy of the Agreement entered into by you with Lee Fong, the appointed Agent of the Chiao-tung Bank, for the sale to you of 50,000 Bonds of $100 each (Peking Currency), equivalent to £9 each, being part of the above-mentioned loan.

"2. Power of Attorney by the Board of Posts and Communications authorizing the said Lee Fong to enter into the above-mentioned Agreement.

"3. Copy of the Imperial Edict sanctioning the issue of the Loan, and translation of the same.

"4. Copy of the Prospectus of issue, and translation of the same.

"I further beg to inform you that the Board of Posts and Communications of the Imperial Chinese Government has undertaken to guarantee the repayment of the Capi-

tal of the aforementioned 50,000 Bonds of $100 each (Peking Currency) in sterling at the rate of nine pounds (£9) for every Bond and also to guarantee the payment of Interest thereon at the fixed value of Six Shillings and Three and Six-Tenths Pence (6s. 3 6-10d.) for every Coupon, payable half-yearly, free from all Chinese Taxes and Imposts, present or future.

"I am, Gentlemen, Yours faithfully,
"(Signed) LI-CHING-FONG.

"The following is an extract from the Prospectus issued by the Board of Posts and Communications of the Imperial Chinese Government in respect of these Bonds and relating to the participation in the profits of the operation of the railway to which the Bondholders are entitled, viz.:—

"In the event of the Chinese Government deriving a profit from the earnings of the Peking-Hankow Railway, the Bond-holders, besides the yearly interest on the loan, will also participate in this profit to be called extra dividend."

"The Capital of the line amounts to 58,000,000 Taels. [Approximately equivalent of £7,400,000 sterling.] If in any year the Government Share of the profit should amount to 4,000,000 Taels, the Board will then reserve one-quarter of this sum, *i.e.*, 1,000,000 Taels, for distribution as extra dividend, which will be divided proprotionately according to the whole Capital of 58,000,000 Taels. The Board will memorialize the Throne and publish annually the amount of profit, one-quarter of which will be made available for extra dividends. This privilege of participating in the extra dividends does not, however, confer upon Bondholders, the right to interfere with or examine the accounts."

"The Peking-Hankow Railway has a total length of approximately 760 miles.

"The gross earnings and the Government's share of the net profits of the Railway are officially reported by the Chiao-tung Bank of Peking as follows:

	Gross Earnings.	Government's Share of the Net Profits.
1908	$11,034,610 = £965,528 ..	$3,063,723 = £268,075
1909	$11,114,614 = £972,528 ..	$3,645,797 = £319,007

"In respect of the year 1910, the Bonds will only entitle the Holder to a *pro rata* share of the profits (if any) of the Railway representing the period from the date of payment for the Bonds to the 31st December, 1910. Such *pro rata* share (if any) will be paid on the 1st day of the Ninth Moon, 1911 (22nd October, 1911), together with the fixed interest then due."

The Yokohama Specie Bank also purchased these bonds to the nominal value of $2,500,000, by an agreement with the Bank of Communications, dated August 15, 1910, of which the following is a summary:

Agreement for Purchase of Bonds of Peking-Hankow Redemption Loan by Yokohama Specie Bank, August 15, 1910.

"1.—The Yokohama Specie Bank to purchase 25,000 bonds, each of the nominal value of 100 current silver dollars, at the agreed equivalent of 88 yen: repayment of principal and payment of interest to be reckoned in yen.

"2.—Bonds to bear 7% interest, payable semi-annually to the Shanghai Branch of the Yokohama Specie Bank.

"3.—Interest coupons to be met by the Shanghai Branch of the Bank of Communications on the 1st of the 3rd and 9th moons, Chinese calendar, each year.

"4.—Interest for the first period payable upon receipt of principal; thereafter, Y. 3.08 to be paid as interest, each half year, upon each bond.

"5.—The Edict of October 8th, 1908, having provided a term of 12 years, with interest payable semi-annually, the first of the 24 interest dates is to be taken as October 8th, 1908: amortization to begin with the 15th period. Three interest periods having elapsed, the amortization of principal will begin from the 15th period but will be decreased to allow for the interest periods already elapsed.

"6.—Delivery of the 25,000 bonds by the Bank of Communications, and payment of Y. 2,200,000 therefor by the Yokohama Specie Bank, to be effected in Shanghai by the two parties, in five equal weekly instalments, beginning September 5th, 1910.

"7.—Payments of principal and of interest, and repayments of principal, all to be made at the rate of exchange for the day for yen as posted at the Shanghai Branch of the Yokohama Specie Bank—or, in case of difference, at the rate posted by the other banks.

"8.—Issue price 97½, discount to be reckoned after the paying in of the entire proceeds of the bonds.

"9.—Amortization to begin February 3rd, 1916, and to be completed February 7th, 1921, 5000 of the bonds purchased by the Yokohama Specie Bank being drawn by lot and redeemed each year during that period.

"10.—From the date of payment for the bonds, profits of the Peking-Hankow Railway to be set aside as security for them.

"11.—The Board of Posts and Communications to confirm officially the provisions of the Agreement in regard to the payments of interest and amortization. The Agreement to be formally cancelled after redemption of the bonds.

"12.—These Bonds to be subject to the original Regulations concerning the Domestic Loan Bonds, in addition to the terms of this Agreement."

Other bonds of this redemption loan were subsequently used as the security for a loan of £150,000 from The City Safe Deposit and Agency Company, Limited, of London, under the following agreement of December 11, 1912:—

Agreement for Loan upon Bonds of Peking-Hankow Redemption Loan by City Safe Deposit and Agency Company, December 11, 1912.

"THIS AGREEMENT made the eleventh day of December, one thousand nine hundred and twelve, BETWEEN The Chinese Republic acting by His Excellency Lew Yuk Lin its officially accredited representative in London and duly authorised to enter into this Agreement on its behalf (hereinafter called 'the Republic') of the one part and The City Safe Deposit and Agency Company, Limited, a company incorporated under the Companies Acts 1862 to 1890 whose registered office is situated at No. 13 Throgmorton Avenue in the City of London, England (hereinafter called 'the Company') of the other part WHEREAS it has been arranged that the Company shall purchase from the Republic Treasury Bills of the Republic for the amount of one hundred and fifty thousand pounds AND WHEREAS it is one of the terms of the said arrangement that the said bills shall be secured as hereinafter provided NOW IT IS AGREED as follows:—

"1. THE Republic shall sell and the Company shall purchase at par one hundred and fifty Treasury Bills of the Republic each for the sum of one thousand pounds payable at the Head Office for the time being in London, England (now No. 38 Bishopsgate in the said City of London) of the Chartered Bank of India, Australia and China (hereinafter called the 'Bank'). The said Bills shall be a direct obligation of the Republic and shall be signed by the said representative in London and the Republic shall give to the said representative due instructions and authority so to do.

"2. THE Republic shall pay to the Company as the consideration to the Company for entering into this Agreement the sum of Three thousand seven hundred and fifty pounds to be paid to the Company on the execution hereof.

"3. FORTHWITH after delivery to the Company in London of the said Bills signed as provided in Clause 1 hereof and of evidence to the satisfaction of the Company that the bonds mentioned in Clause 4 hereof have been deposited as thereby provided and after the execution by the representative of the Republic to the satisfaction of the Company of this Agreement, the sum of One Hundred and fifty thousand pounds shall be paid by the Company to the Republic in London, but the Company shall be entitled to deduct thereout the said sum of three thousand seven hundred and fifty pounds and a sum of ten thousand five hundred pounds being seven per cent discount on one hundred and fifty thousand pounds paying to the Republic the balance of one hundred and thirty-five thousand seven hundred and fifty pounds.

"4. THE payment of the said Bills to the holders for the time being thereof shall be secured by the deposit with the bank in the name and to the order of the Company as trustees of bonds of the Chinese Government Seven per cent Peking-Hankow Railway Redemption Loan of the value at par of two million one hundred and sixty thousand Peking dollars hereinafter called 'the said Bonds.'

"5. EACH of the said Bonds shall be signed and sealed by the Board of Posts and Communications of the Republic and shall bear a statement certified by the signature and seal of the Board to the effect that the value of one hundred dollars is nine Pounds English sterling and that the said Bonds are payable in Peking in English sterling at that rate of exchange both as to principal and interest.

"6. THE Bonds shall be deposited in the first instance at the Branch office of the Bank in Peking and/or Tientsin in the name and to the order of the Company.

"7. THE Bonds when so deposited shall be held in trust to secure the payment to the holders for the time being and from time to time of the Bills aforesaid of the principal moneys and interest payable in respect of the said Bills.

"8. THE principal moneys received by the Bank in respect of the said Bonds whether upon the redemption of any of the said Bonds according to their tenor or otherwise as well as any interest from time to time received by the Bank in respect of the said Bonds, shall be held by the Bank in the name and to the order of the Company and together with all moneys arising under the last preceding clause hereof shall be applicable by the Company in or towards paying off all of the said Bills pari passu and the surplus (if any) shall be paid to the Republic.

"9. THE Republic hereby grant to the Company an option of purchasing from the Republic the said Bonds at the price of ninety-seven dollars for every Bond of one hundred dollars, and at a proportionate price in respect of Bonds for amounts greater or less than one hundred dollars, which option may be exercised at any time and from time to time by notice in writing to the Representative of the Republic in London specify-

ing the number of the said Bonds purchased and may be exercised at any time within one year after the day of the execution hereof.

"10. This Agreement is signed by the said Lew Yuk Lin as the Representative of the Chinese Government and will be forthwith officially communicated to the Minister of Great Britain in Peking by the Wai Chiao Pu (Chinese Foreign Office) and a copy of such formal notification and any reply thereto shall be communicated to the Company.

"The Common Seal of the City Safe Deposit and Agency Company, Limited, was hereto affixed in the presence of:—

"(*Signatures of*) DIRECTORS
"(*Signature of*) ASST. SECRETARY."

[Seal.]

NUMBER 1908/14.

THE UNITED STATES AND CHINA.

Arbitration convention.—October 8, 1908.*

The President of the United States of America and His Majesty the Emperor of China, taking into consideration the fact that the High Contracting Parties to the Convention for the pacific settlement of international disputes, concluded at The Hague on the 29th July, 1899, have reserved to themselves, by Article XIX of that Convention, the right of concluding Agreements, with a view to referring to arbitration all questions which they shall consider possible to submit to such treatment, have resolved to conclude an Arbitration Convention between the two countries, and for that purpose have named as their Plenipotentiaries, that is to say:

The President of the United States of America, Elihu Root, Secretary of State of the United States of America; and

His Majesty the Emperor of China, Wu Ting-fang, Envoy Extraordinary and Minister Plenipotentiary to the United States of America, Mexico, Peru, and Cuba;

Who, after having communicated to each other their Full Powers, found to be in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE I.—Differences which may arise of a legal nature or relating to the interpretation of treaties existing between the two Contracting Parties, and which it may not have been possible to settle by diplomacy, shall be referred to the Permanent Court of Arbitration established at The Hague by the Convention of the 29th July, 1899, provided, nevertheless, that they do not affect the vital interests, the independence, or the honor of the two Contracting States, and do not concern the interests of third Parties.

ARTICLE II.—In each individual case the High Contracting Parties before

* Text as printed in *U. S. Treaty Series*, No. 522. Printed also in *Malloy*, p. 290; *Am. Int. Law Journal, Supplement*, 1909, p. 221; *Customs*, vol. I, p. 764.

In connection with this convention see also the Treaty for the advancement of the general cause of peace, September 15, 1914 (No. 1914/10, *post*).

appealing to the Permanent Court of Arbitration shall conclude a special Agreement defining clearly the matter in dispute, the scope of the powers of the Arbitrators, and the periods to be fixed for the formation of the Arbitral Tribunal and the several stages of the procedure. It is understood that such special agreements will be made on the part of the United States by the President of the United States by and with the advice and consent of the Senate thereof.

ARTICLE III.—The present Convention shall remain in force for the period of five years from the date of the exchange of the ratifications.

ARTICLE IV.—The present Convention shall be ratified by the High Contracting Parties, and the ratifications thereof shall be exchanged at Washington as soon as possible.†

In witness whereof, the respective Plenipotentiaries have signed the present Convention, and have thereunto affixed their seals.

Done at the City of Washington, in duplicate, this 8th day of October, one thousand nine hundred and eight, corresponding to the 14th day of the 9th month of the 34th year of Kuang Hsü.

ELIHU ROOT [SEAL]
WU TING FANG [SEAL]

NUMBER 1908/15.

JAPAN AND CHINA.

Convention concerning the telegraph cable between Kwantung and Chefoo, and the Japanese telegraph lines in Manchuria.—October 12, 1908.*

The undersigned, respectively duly authorised by the Governments of Japan and China to adjust in a friendly manner and spirit of mutual accommodation the questions of the submarine telegraph cable, between the Province of Kwantung and Chefoo, and the Japanese telegraph lines in Manchuria, have agreed as follows:

ARTICLE 1.—A submarine cable will be laid by the Governments of Japan and China between a point in the Kwantung Province and Chefoo. Japan will lay and maintain the section of the submarine cable from Kwantung to within 7½ miles of Chefoo and China will lay and maintain the section of said cable from Chefoo to a point 7½ miles from Chefoo. At said point the two sections of the cable shall be connected. The Kwantung end shall be worked entirely by Japan and the Chefoo end by China, but, in order to meet the special requirements of Japan, the cable shall be connected up direct to the

* In connection with this convention see also the agreement concerning the working of the Kwantung-Chefoo cable (No. 1908/16, *post*), and the agreement concerning the working of the Japanese and Chinese telegraph lines in Manchuria (No. 1908/17, *post*), both of November 7, 1908.

† Ratifications exchanged April 6, 1909.

Japanese Post Office at Chefoo during such sufficient time each working day as may be agreed upon and such Post Office shall have the right to transmit over the said cable from and to places under the direct control of the Japanese telegraph system *terminal* Chefoo Japanese Government messages as well as private *terminal* Chefoo telegrams, provided these latter be written in Kana. Japan shall pay to China on such traffic a certain terminal fee to be agreed upon. The connecting line between the Chinese Chefoo Telegraph Office and the Japanese Post Office at Chefoo will be constructed and maintained by China. Japan engages to do all in her power to prevent the retransmission at Chefoo of traffic from or to any other part of China and she also undertakes, under the reserve of most favored nation treatment for the future, not to land submarine cables or to construct telegraph or telephone land-lines or to establish any kind of wireless communication in China, outside her leased or railway territories, without in every case first having obtained the consent of the Chinese Government. All details as to terminal and transit rates over the Chefoo-Kwantung cable shall be settled by a special agreement.

ARTICLE 2.—Japan undertakes immediately to hand over to China, against the payment of 50,000 Yen, all Japanese telegraph lines in Manchuria outside the railway territory. Japan is prepared to enter into negotiation with China with a view to coming to a certain arrangement concerning the Japanese telephone service in Manchuria outside the railway territory. Pending the conclusion of such an arrangement, Japan undertakes neither to extend her present telephone system in Manchuria without having first obtained the consent of the Chinese Government, nor to use her telephone lines for the transmission of telegrams in competition with the Chinese telegraph lines.

ARTICLE 3.—At open marts or treaty ports in Manchuria, which are in close proximity to the Japanese railway territory, namely at: Antung, Newchwang, Liaoyang, Moukden, Teh-ling and Chang-chun, the Chinese Government agrees, for a period of fifteen years, to place one or two special telegraph wires from the said open marts or treaty ports to such railway territory at the exclusive disposal of the Japanese Government telegraph service. Such wire or wires shall be maintained in good order and condition by the Chinese Government up to the railway territory.

ARTICLE 4.—The special wire or wires mentioned in Article 3 shall be worked from the Chinese telegraph buildings by Japanese clerks in the employ of the Japanese Government, and the Chinese Government undertakes to provide, at a total yearly rent of 700 Mexican Dollars, suitable special offices and accommodations for this purpose, it being, however, understood that the said accommodations do not include dwelling quarters for the clerks.

ARTICLE 5.—The special wire or wires mentioned in Article 3 can only be used for the exchange of telegrams emanating from or destined to places under the direct control of the Japanese telegraph system.

ARTICLE 6.—At the open marts or treaty ports mentioned in Article 3 the Japenese telegraph Department will have its receiving office in the Chinese telegraph buildings and delivery of Japanese traffic shall be made by messengers wearing no special uniform.

ARTICLE 7.—The Japanese Government undertakes to pay to the Chinese Government an annual sum of three thousand Yen as a royalty on all messages forwarded over the Japanese Manchurian telegraph lines.

ARTICLE 8.—The present convention shall be confirmed by the two Governments concerned and shall be put into force when detailed agreements shall have been concluded with regard to the Chefoo-Kwantung cable and the Japanese Manchurian telegraph lines.

In witness whereof the undersigned have signed this agreement.

Done at Tokio in English in duplicate this 12th day of the month of October, 1908.

NUMBER 1908/16.

JAPAN AND CHINA

Agreement concerning the working of the Chefoo-Kwantung cable.—November 7, 1908.*

In conformity with the provisions of the Telegraph Convention of the 12th October, 1908, between Japan and China, the two Governments have, for the purpose of facilitating the due and proper working of the Chefoo-Kwantung submarine cable, concluded the following Supplementary Agreement:

ARTICLE I.—Japan and China undertake, as quickly as circumstances permit after the present Agreement takes effect, to provide a submarine cable between Chefoo (Shantung) and a point in the Kwantung Province within the leased territory of the Liaotung Peninsula, either by restoring the old cable or by laying a new one, in accordance with the stipulations contained in Article 1 of the Convention above mentioned.

ARTICLE II.—The two contracting parties engage to maintain the said cable, at all times, in good working order and condition and, in case of interruption, to effect repairs as quickly as possible.

Should the cable be damaged at the connecting point, *i.e.*, at 7½ miles from Chefoo, the cost of the repairs shall be borne one half by Japan and the other half by China.

ARTICLE III.—Each of the contracting parties agrees to provide and maintain at its own cost the cable house, landing connection and the necessary equipment of the office at its own shore end of the said cable.

ARTICLE IV.—The telegraph instruments to be employed for working the said cable shall, unless otherwise agreed, be Morse or Wheatstone.

ARTICLE V.—The cost of the equipment and maintenance of the Japanese telegraph office at Chefoo shall be borne by Japan.

* Text as printed in *Customs*, vol. II, p. 744.

In connection with this agreement see also the Sino-Japanese telegraph convention of October 12, 1908 (No. 1908/15, *ante*).

ARTICLE VI.—The Chinese telegraph office at Chefoo shall daily switch the Japanese telegraph office at that place into direct communication with the said cable for one hour in every three hours between six o'clock in the morning and eleven o'clock at night, and thereafter the said Japanese office shall be similarly switched into direct communication with the cable during the remaining seven hours in each day of twenty-four hours that the cable is not actually required by the said Chinese office.

It is further agreed that for the due and proper working of the said cable, every convenience and facility shall be given reciprocally by the two offices which shall do their utmost to work in a friendly and harmonious way so as to cause as little delay as possible to the legitimate traffic of both parties.

ARTICLE VII.—Japan and China shall, as quickly as circumstances permit, arrange to connect the nearest Chinese telegraph office outside the leased territory of Liaotung Peninsula with the most convenient Japanese telegraph office having direct connection with the Japanese cable office. This connecting line shall be constructed, maintained and worked by each contracting party within its own territory and used for the exchange of traffic to and from places within the Chinese system North of the said leased territory.

ARTICLE VIII—A. The special cable rates per word for correspondence exchanged over the said cable between the Japanese and Chinese offices are fixed as follows:

1. JAPAN.

a. For terminal Kwantung traffic ..... Mex. $0.15
b. For traffic transiting Kwantung ..... " 0.10

2. CHINA.

For terminal Chefoo traffic ..... " 0.04

B. The charges per word on the Japanese landlines beyond Kwantung shall be 5 Mexican Dollar cents.

For Chinese telegrams the text of which is composed entirely of 4-figured groups, Japan's proportion of rate shall be 8 Mexican Dollar cents per word.

For telegrams emanating from or destined to countries beyond China, Japan's proportion of rate shall be 10 Mexican Dollar cents per word.

For telegrams transmitted over the said cable, Japan shall collect the rates fixed for the time being by China, and on such traffic Japan shall credit China with full transmission rate less Japan's proportion as fixed above. It is, however, understood that the total charges for such telegrams shall not, in any case, be higher than for telegrams to the same destination via other Chinese routes. The necessary tariff schedule shall be supplied to Japan by China.

ARTICLE IX.—Until otherwise agreed upon it is understood that the Chefoo-Kwantung cable can not be used for Japanese traffic emanating from or destined to places beyond China with the exception of Chefoo terminal Japanese Government traffic and Chefoo terminal traffic written in Kana.

ARTICLE X.—On telegrams handled by the Japanese Office at Chefoo, according to Article I of the Convention above mentioned, Japan shall credit

China with 10% of the total rates charged. The amount of such credit shall be accounted for in the monthly balance sheet.

ARTICLE XI.—The checking of the amount of correspondence exchanged over the said cable shall take place daily by wire between the offices of exchange.

The settlement of accounts shall take place at the end of each month, and the resulting balance shall be paid one month thereafter either to Japan in Tokio or to China in Shanghai, as the case may be.

For the purposes of this Arrangement the year and month shall be reckoned according to the Gregorian calendar and the English language shall be used in all communications between the telegraph offices of the two contracting parties.

ARTICLE XII.—The liquidation of accounts shall be made in Mexican Dollars. As regards outpayments to other telegraph Administrations the collecting rate shall be quarterly agreed upon between the two contracting parties during the month preceding the quarter for which the rate is to rule, on the basis of the average bank rate of exchange at Shanghai for the three months preceding that in which the rate is fixed.

In case it is necessary at any time to fix the collecting rate for the fraction of a quarter, the average bank rate of exchange ruling at Shanghai for the quarter immediately preceding such fraction of a quarter shall be taken as the basis.

ARTICLE XIII.—The charges for press telegrams via the said cable shall be fixed by a later agreement between Japan and China.

ARTICLE XIV.—Unless otherwise provided in the present Agreement, the rules laid down in the existing International Telegraph Convention and the Regulations attached thereto shall be observed with regard to telegrams transmitted over the said cable.

ARTICLE XV.—The present Agreement shall be submitted to the Governments of Japan and China respectively for approval and shall come into operation from the day on which announcements of such approval are exchanged. It shall remain in force until modified or abrogated by mutual consent.

In witness whereof the undersigned, duly authorised by their respective Governments, have signed the present Agreement.

Done in Tokio, in English, in duplicate, this seventh day of the month of November, 1908.

(Signed) CHOW WAN PANG.
(Signed) K. ISHII.
(Signed) T. KURACHI.
(Signed) J. TANAKA.

NUMBER 1908/17.

JAPAN AND CHINA.

Agreement concerning the working of the Japanese and Chinese telegraph lines in Manchuria.—November 7, 1908.*

In conformity with the provisions of the Telegraph Convention of the 12th October, 1908, between Japan and China, the two Governments have, for the purpose of facilitating the due and proper working of their respective telegraph lines in South Manchuria, concluded the following Supplementary Agreement:

ARTICLE I—a. In order to facilitate the exchange of telegraphic traffic between the Japanese and Chinese systems, China shall connect her telegraph offices at Antung, Newchwang, Liaoyang, Mukden, Tehling and Changchun with the respective Japanese telegraph offices within the railway zone at these places.

b. On the telegraphic traffic handled by the Japanese offices in Manchuria, a royalty will be paid by Japan to China.

c. All messages destined for places in China, outside the Japanese system, and beyond, directed by the senders "*via* the Chinese lines," duly tendered for transmission to the Japanese offices within the railway zone, as well as diverted Japanese traffic, shall be accepted by such offices and handed over to the nearest connecting Chinese offices, full transmission rate being credited by Japan to China on such traffic less 5 Mexican Dollar cents per word.

d. All messages destined for places in China and beyond, directed by the senders "via the Chefoo-Kwantung cable," duly tendered to a Chinese office for transmission shall be accepted by it and handed over to the nearest connecting Japanese office. On such traffic China shall credit Japan with the rates specified in Article VIII of the Agreement regarding the working of the Chefoo-Kwantung cables.

e. All traffic destined for places on the Japanese system in Manchuria, duly handed in at or transmitted to a Chinese office in Manchuria for transmission, shall be handed over to the nearest connecting Japanese office. On such traffic China shall credit Japan with 5 Mexican Dollar cents per word.

ARTICLE II.—Japan undertakes not to establish competition, by lower rates or other means, against China. This engagement does not, however, apply to traffic forwarded exclusively over the Japanese lines.

ARTICLE III.—For telegrams handed over to the connecting Chinese offices in Manchuria, Japan shall collect the rates fixed for the time being by China,

* Text as printed in *Customs*, vol. II, p. 749, with addition of preamble.
In connection with this agreement see also the Sino-Japanese telegraph convention of October 12, 1908 (No. 1908/15, *ante*).

and on such traffic Japan shall credit China with full transmission rates less 5 Mexican Dollar cents per word. The necessary tariff schedule shall be supplied to Japan by China.

ARTICLE IV.—Unless otherwise provided in the present Agreement the rules laid down in the existing International Telegraph Convention and the regulations attached thereto shall be observed with regard to telegrams transmitted over the connecting lines.

ARTICLE V.—The charges for press telegrams exchanged between the Japanese and Chinese offices in Manchuria shall be fixed by a later agreement between Japan and China.

ARTICLE VI.—Special accounts of all telegraphic traffic exchanged shall be kept at the offices where such exchange takes place, and shall be compared and checked daily. The settlement of accounts shall take place at the end of each month and the resulting balance shall be paid, one month thereafter, to Japan in Tokio or to China in Shanghai, as the case may be. For the purposes of this arrangement the year and month shall be reckoned according to the Gregorian calendar and the English language shall be used in all communications between the telegraph offices of the two contracting parties.

ARTICLE VII.—The liquidation of accounts shall be made in Mexican Dollars. As regards outpayments to other telegraph Administrations the collecting rate shall be quarterly agreed upon between the two contracting parties during the month preceding the quarter for which the rate is to rule, on the basis of the average bank rate of exchange at Shanghai for the three months preceding that in which the rate is fixed. In case it is necessary at any time to fix the collecting rate for the fraction of a quarter, the average bank rate of exchange ruling at Shanghai for the quarter immediately preceding such fraction of a quarter shall be taken as the basis.

ARTICLE VIII.—Neither of the contracting parties shall take into its telegraph service in Manchuria or Chefoo any person who is engaged or has been engaged within the three previous months in the same service of the other party without in each case obtaining the special consent of the latter.

ARTICLE IX.—All telegraph lines constructed by Japan in South Manchuria outside the railway territory shall, at the time the present Agreement takes effect, be delivered to China and the sum of Yen 50,000 shall be paid by China to Japan in Tokio as soon as such delivery shall have been completed.

The delivery of the telegraph lines mentioned above shall be effected by special commissioners appointed by the two contracting parties for that purpose.

ARTICLE X.—The present Agreement shall be immediately submitted to the Governments of Japan and China respectively for approval and shall come into operation from the day on which announcements of such approval are exchanged. It shall remain in force until modified or abrogated by mutual consent.

In witness whereof the undersigned, duly authorised by their respective Governments, have signed the present Agreement.

Done at Tokio, in English, in duplicate, this seventh day of the month of November, 1908.

(Signed) CHOW WAN PANG.
(Signed) K. ISHII.
(Signed) T. KURACHI.
(Signed) J. TANAKA.

NUMBER 1908/18.

JAPAN AND CHINA.

Supplementary agreement for a loan for the Hsinmint'un-Mukden and Kirin-Ch'angch'un railways.—November 12, 1908.*

According to Article 4 of the Hsin-Feng (*i.e.*, Hsinmin-Mukden) and Chi-Ch'ang (i.e., Kirin-Changchun) Railway agreement between the two Governments of Japan and China, dated Meiji, 40th year, 4th month, 15th day/Kuangshü 33rd year, 3rd month, 3rd day (April 15, 1907), it was agreed that, before settling the loan contract for the said railways, the two Governments should draw up a supplementary agreement regarding matters not settled in the original agreement.

Now the two officials designated below have concluded the following agreement:

ARTICLE I.—It is agreed by Articles 1 and 2 of the Hsin-Feng and Chi-Ch'ang Railway agreement between the Governments of Japan and China (hereafter to be called the "Agreement") that half of the capital needed for that portion of the Ching-Feng (*i. e.*, Peking-Mukden) Railway lying east of the Liao River amounting to Yen 320,000, and half of the capital needed for the Chi-Ch'ang Railway amounting to Yen 2,150,000 should be borrowed from the South Manchuria Railway Company.

ARTICLE II.—The interest on this loan shall be at the rate of five per cent per annum.

ARTICLE III.—The actual rate at which the loan shall be realized shall be 93 for every 100 as agreed upon in Article 6 of the "Agreement."

* Translation from the Chinese text, as printed in *For. Rel.*, 1908, p. 207. Printed also (in Chinese and Japanese texts) in *Wang*, p. 149, and (in translation) in *F. E. Review*, vol. 11, p. 391.

In connection with this supplementary agreement see also the convention regarding the Hsinmin-Mukden and Kirin-Ch'angch'un railways, April 15, 1907 (No. 1907/3, *ante*): agreement for the handing over of the Hsinmin-Mukden Railway, May 27, 1907 (No. 1907/5, *ante*): detailed agreements concerning the Hsinmin-Mukden and Kirin-Ch'angch'un railway loans, August 18, 1909 (Nos. 1909/6 and 1909/7, *post*); also, with particular reference to the Kirin-Ch'angch'un Railway, see Article 6 of the agreement relating to Chientao, September 4, 1909 (No. 1909/10, *post*), and Article 7 of the Sino-Japanese treaty respecting South Manchuria and Eastern Inner Mongolia, May 25, 1915 (No. 1915/8, *post*).

ARTICLE IV.—It is stipulated in Article 3 of the "Agreement" that during the term of the loan, the Chinese Government shall employ a Japanese engineer-in-chief for that portion of the Ching-Feng Railway which lies east of the Liao River. For the present the Japanese engineers now in the employ of the Ching-Feng Railway may continue to act and as at present will continue to be under the control of the director and engineer-in-chief of the Ching-Feng Railway. If, in future, changes are made in the engineering staff, as provided in the "Agreement," application shall be made to the South Manchuria Railway which will make appointments after full consultation. The status of these engineers shall be as stated above.

ARTICLE V.—Since it is difficult for the Chinese Government to keep separate accounts for that portion of the Ching-Feng Railway which lies east of the Liao River, the Japanese Government consents that no Japanese accountants shall be specially appointed, and the Japanese Government consents that the Chinese Government shall set aside monthly a sum calculated to be sufficient for the monthly payment of capital and interest on the amount of the loan for the said section of railway. This sum shall be deposited on the first day of every month in some Japanese Bank in China, designated by the South Manchuria Railway Company. This deposit shall be regarded as a sinking fund for the redemption of the capital and interest of the loan when due. The manner of making the payments of the capital and interest of the loan when due, and the interest which shall be allowed by the bank on the sums deposited shall be decided when the detailed loan contract is drawn up. The Chinese Government also consents that the monthly balance sheets for the whole Ching-Feng Railway Line and the annual exact statement of accounts in English shall be sent monthly and annually to the South Manchuria Railway Company for inspection.

ARTICLE VI.—The engineer-in-chief and the accountants of the Chi-Ch'ang Railway should all be Japanese as provided in Article 3 of the "Agreement." The method of appointment shall be as follows: The Chinese Government will select a well trained and capable engineer-in-chief and appoint him, after full consultation with the South Manchuria Railway Company. The accountants shall be selected by the South Manchuria Railway Company, and after consultation with the Chinese Government the Chinese Government shall appoint them. If in future it shall be necessary to change the engineer-in-chief or accountants, there must be consultation with the South Manchuria Railway Company according to the "Agreement," and the appointments must be made as arranged above.

ARTICLE VII.—The special loan contract must conform to the stipulations of the "Agreement" and of this "Supplementary Agreement." It will be drawn up between the South Manchuria Railway Company and an official appointed by the Board of Posts and Communications.

This supplementary agreement will be in force when ratified by the two Governments.

Signed at Peking, Meiji, 41st year, 11th month, 12th day/Kuang-hsü, 34th year, 10th month, 19th day (November 12, 1908), by

(Signed) MORITARO ABÉ,
First Secretary of Legation.
LIANG SHIH-I,
Director of the Head Railway Office of the Board of Posts and Communications.

NUMBER 1908/19.

JAPAN AND THE UNITED STATES.

Exchange of notes declaring their policy in the Far East.—November 30, 1908.*

I.

IMPERIAL JAPANESE EMBASSY
WASHINGTON.

November 30, 1908.

SIR:

The exchange of views between us, which has taken place at the several interviews which I have recently had the honor of holding with you, has shown that Japan and the United States holding important outlying insular possessions in the region of the Pacific Ocean, the Governments of the two countries are animated by a common aim, policy, and intention in that region.

Believing that a frank avowal of that aim, policy, and intention would not only tend to strengthen the relations of friendship and good neighborhood, which have immemorially existed between Japan and the United States, but would materially contribute to the preservation of the general peace, the Imperial Government have authorized me to present to you an outline of their understanding of that common aim, policy, and intention:

1. It is the wish of the two Governments to encourage the free and peaceful development of their commerce on the Pacific Ocean.

2. The policy of both Governments, uninfluenced by any aggressive tendencies, is directed to the maintenance of the existing status quo in the region above mentioned and to the defense of the principle of equal opportunity for commerce and industry in China.

3. They are accordingly firmly resolved reciprocally to respect the territorial possessions belonging to each other in said region.

* Text as printed in *U. S. Treaty Series* (No Number). Printed also in *Malloy*, p. 1045. In connection with this exchange of notes see also that of November 2, 1917 (No. 1917/12, *post*).

4. They are also determined to preserve the common interest of all powers in China by supporting by all pacific means at their disposal the independence and integrity of China and the principle of equal opportunity for commerce and industry of all nations in that Empire.

5. Should any event occur threatening the status quo as above described or the principle of equal opportunity as above defined, it remains for the two Governments to communicate with each other in order to arrive at an understanding as to what measures they may consider it useful to take.

If the foregoing outline accords with the view of the Government of the United States, I shall be gratified to receive your confirmation.

I take this opportunity to renew to Your Excellency the assurance of my highest consideration.

K. TAKAHIRA.

Honorable ELIHU ROOT,
Secretary of State.

II.

DEPARTMENT OF STATE,
Washington, November 30, 1908.

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of to-day setting forth the result of the exchange of views between us in our recent interviews defining the understanding of the two Governments in regard to their policy in the region of the Pacific Ocean.

It is a pleasure to inform you that this expression of mutual understanding is welcome to the Government of the United States as appropriate to the happy relations of the two countries and as the occasion for a concise mutual affirmation of that accordant policy respecting the Far East which the two Governments have so frequently declared in the past.

I am happy to be able to confirm to Your Excellency, on behalf of the United States, the declaration of the two Governments embodied in the following words:

1. It is the wish of the two Governments to encourage the free and peaceful development of their commerce on the Pacific Ocean.

2. The policy of both Governments, uninfluenced by any aggressive tendencies, is directed to the maintenance of the existing status quo in the region above mentioned, and to the defense of the principle of equal opportunity for commerce and industry in China.

3. They are accordingly firmly resolved reciprocally to respect the territorial possessions belonging to each other in said region.

4. They are also determined to preserve the common interests of all powers in China by supporting by all pacific means at their disposal the independence and integrity of China and the principle of equal opportunity for commerce and industry of all nations in that Empire.

5. Should any event occur threatening the status quo as above described

or the principle of equal opportunity as above defined, it remains for the two Governments to communicate with each other in order to arrive at an understanding as to what measures they may consider it useful to take.

Accept, Excellency, the renewed assurance of my highest consideration.

ELIHU ROOT.

His Excellency
BARON KOGORO TAKAHIRA,
Japanese Ambassador.

NUMBER 1909/1.

GREAT BRITAIN (India) AND CHINA.

Arrangement for the exchange of correspondence between the postal administration of India and the postal administration of China.—February 9, 1909.

In order to establish an exchange of correspondence between India and China, the undersigned, duly authorised for that purpose, have agreed upon the following articles:—

ARTICLE 1.—There shall be between the Postal Administration of India and the Postal Administration of China regular exchanges (1) via Bhamo and Tengyueh, of correspondence of all kinds, namely letters, postcards (both single and with reply paid), printed papers, business papers and samples of merchandise, both ordinary and registered, by means of any services, ordinary or special, now established and hereafter established, which each Administration may have at its disposal. [Samples of merchandise cannot, at present, be carried by the ordinary letter mail, but will be forwarded twice a month by special couriers.]

ARTICLE 2.—Each Administration shall be entitled to send through the intermediate agency of the other either closed mails or correspondence *à découvert* to any other country with which the latter Administration has postal relations. The charges payable by the despatching Administration in respect of such transit correspondence shall be at the rates prescribed by the Principal Convention of the Postal Union in force for the time being, and the amount of the total yearly payment shall be assessed on the basis of statistics which shall be taken as may be agreed upon hereafter between the two Administrations.

ARTICLE 3.—The offices of exchange shall be on the side of India, Bhamo, and on the side of China, Tengyueh. [The Tengyueh couriers will carry the mails only to and from Nampaung, on the frontier.]

ARTICLE 4.—The postage on articles exchanged between the two Administrations shall be paid by means of postage stamps, and this postage, if fully prepaid at the equivalents in India and China, respectively, of the rates laid down by Article 5, paragraph 1, of the Principal Convention of Rome, shall entitle the articles to be delivered free of all charges irrespective of their destinations,

provided only that correspondence addressed to places in China where no Chinese post offices exist shall be forwarded by the Chinese Administration to destination through private agencies at the risk and expense of the addressees. Articles other than letters and postcards shall be prepaid at least partly. In case of insufficient prepayment, correspondence of every kind shall be liable to a charge, to be paid by the addressee, equal to double the amount of the deficiency; but this charge shall not exceed that which is levied in the country of destination on unpaid correspondence of the same nature, weight and origin. The two Administrations shall communicate to each other their tariffs of postal charges.

ARTICLE 5.—Each Administration shall keep the whole of the sums which it collects.

ARTICLE 6.—No supplementary postage shall be chargeable for the redirection of articles of correspondence. Undelivered correspondence shall not, when returned, give rise to the repayment of the transit charges due to the Administrations concerned for the previous conveyance of such correspondence. Unpaid letters and postcards and insufficiently paid articles of every description, which are returned to the country of origin as redirected or as undeliverable, are liable, at the expense of the adressees or senders, to the same charges as similar articles addressed directly from the country of the first destination to the country of origin. The treatment of redirected and undelivered correspondence shall be governed by Articles XXVII and XXVIII of the Detailed Regulations for the execution of the Principal Convention of Rome.

ARTICLE 7.—The preparation, transmission and verification of mails exchanged between the two countries shall be governed by the rules contained in Articles IX, X, XI, XXI, XXIV and XXV of the Detailed Regulations referred to above.

ARTICLE 8.—Business papers, samples and printed papers which do not fulfil the conditions laid down in Article 5 of the Principal Convention of Rome and Articles XVII, XVIII, XIX and XX of the Detailed Regulations for the execution of that Convention, shall not be forwarded. Should occasion arise, these articles shall be sent back to the post office of origin and returned, if possible to the senders. Articles of correspondence falling under any of the prohibitions of paragraph 3 of Article 16 of the Principal Convention of Rome, which have been erroneously given transmission, shall be returned to the country of origin, except in cases where the Administration of the country of destination is authorised by its laws or by its internal regulations to dispose of them otherwise. Explosive, inflammable, or dangerous substances, however, shall not be returned to the country of origin; when their presence is detected by the Administration of the country of destination, they shall be destroyed on the spot under the direction of that Administration.

ARTICLE 9.—The exchange of registered correspondence between the two countries shall be effected according to the conditions and procedure prescribed by Articles XII and XXII of the Detailed Regulations referred to above.

ARTICLE 10.—The two Administrations shall accept responsibility for the loss of registered articles (except in the case of *vis major*) up to a limit of 50 francs in respect of each such article and according to the conditions laid down

in Article 8 of the Principal Convention of Rome and Article XIII of the Detailed Regulations for the execution of that Convention.

ARTICLE 11.—Acknowledgments of receipt in respect of registered articles and enquiries as to the disposal of such articles shall be exchanged between the two Administrations in accordance with the procedure described in Article XIV of the Detailed Regulations already referred to.

ARTICLE 12.—Applications for ordinary and registered articles which have failed to reach their destination shall be dealt with according to Articles XXIX and XXX, respectively, of the said Detailed Regulations, such applications being transmitted, when they concern the Indian Administration, to the Director-General of the Post Office of India, Calcutta, and when they concern the Chinese Administration, to the Inspector-General of the Chinese Imperial Posts, Peking.

ARTICLE 13.—The present arrangement shall take effect on the first of May 1909. It shall then continue in force until it shall be modified or determined by mutual consent of the contracting parties or until six months after the date on which one of contracting parties shall have notified the other of its intention to terminate it.

Executed in duplicate and signed:—

At.....
The.....190..,
Officiating Director-General of the Post Office of India,

At Peking
The 9th February 1909.
Acting Inspector-General of the Chinese Imperial Posts,
(Signed) ROBT. E. BREDON.

NUMBER 1909/2.

RUSSIA (Chinese Eastern Railway Company) AND CHINA.

Arrangement for the transportation of mails of the Chinese Imperial Posts.—February 6/19, 1909.*

1.—A compartment measuring from one and one-half to two metres in length of a Russian car, in each mail car, is put at the disposal of the Chinese Postal Administration for the conveyance of Chinese official mails.

2.—All official Chinese mails will be transported in these compartments without charge; a Chinese official and a messenger will be admitted there to accompany the mails.

3.—For the transportation of public mails in these compartments, the Chinese

* Translation from the French text as printed in *Soglashenia*, p. 74.
In this connection, see also the agreement of the same date concerning postal relations between Russia and China, under the heading of the Rome Postal Conventions, May 26, 1906 (No. 1906/3, *ante*), at p. 597, *ante*.

administration is to pay the Chinese Eastern Railway a sum of ten thousand eight hundred roubles (Rs. 10,800) for the first year. Payments will be made quarterly.

4.—All such public mails as can not be put into these compartments, for lack of space, will be carried in the baggage cars or goods cars of the mail trains and mixed trains (*i.e.,* for the conveyance of mails and passengers), and will pay twice the tariff for baggage in force on the lines of the Chinese Eastern Railway.

NOTE.—Exception is to be made in the case of printed matter, newspapers, etc., the price of transporting which will be the subject of a special agreement.

5.—The expenses incident to the alteration and putting into order of the compartments in the mail cars for the transportation of Chinese official mails will be chargeable to the Chinese Postal Administration, which will furthermore pay a sum of three hundred roubles (Rs. 300) per year per car for the upkeep and ordinary repairs of these compartments.

6.—It is strictly forbidden to carry anything but postal matter in the compartments reserved for the Chinese posts in the mail cars.

7.—The Chinese Eastern Railway assumes no responsibility in regard to the safety of the Chinese mails transported in its cars.

Done in double original at Peking, February 6/19, 1909, and signed:

For the Chinese Eastern Railway Administration,
(Sgd.) R. BARBIER,
Chief of the Peking Section.

For the Chinese Postal Administration,
T. PIRY,
Secretary-General of Imperial Posts.

and approved:

J. KOROSTOVETZ,
Envoy Extraordinary and Minister Plenipotentiary of Russia.
(SEAL)

ROBERT E. BREDON,
Acting Inspector-General of Imperial Customs and Posts.
(SEAL)

NUMBER 1909/3.

GREAT BRITAIN (Pauling & Company, Limited) AND CHINA.

Agreement for a preliminary survey for a railway line from Kueilin to Ch'uan-chou.—May 19, 1909.

CHANG, Governor of Kwangsi, Vice President of the Army Board, being about to engage engineers to make a preliminary survey of a railway line from Kueilin to Ch'uan-chou, such survey to be used for the eventual construction of the line, hereby enters into the following agreement with Messrs. Pauling & Company Limited to undertake a preliminary survey and engage two engineers to proceed to Kueilin and Ch'uan-chou and conduct such survey.

1.—Messrs. Pauling & Company Limited undertake to make a survey from Kueilin to the boundary of Kwangsi and Hunan provinces at the Huang Sha River in Ch'uan-chou with a view to its being used for the eventual construction of a section of railway by the provincial authorities, between these two places.

Such survey is to be carried out in accordance with the terms of the Memorandum drawn up by the Engineer-in-Chief of the Canton-Kowloon Railway which forms a separate document.

Messrs. Pauling and Company Limited undertake to engage two first class engineers whose salaries and expenses from England to Kueilin, during the survey operations between Kueilin and Ch'uan-chou and on their return to England, are all included in the lump sum of three thousand four hundred pounds sterling which the provincial authorities of Kwangsi undertake to pay for the survey.

2.—Messrs. Pauling and Company Limited having undertaken to engage, on behalf of the authorities of Kwangsi two engineeers to undertake the survey in accordance with the terms of the Memorandum forming the separate document, it is hereby stipulated that there will be no careless or inadequate work performed in connection with the survey.

If it should prove that there has been any careless or inadequate work, Messrs. Pauling and Company Limited will send another engineer to make a fresh survey.

3.—Messrs. Pauling and Company Limited shall only be concerned with the survey. If eventually, the province of Kuangsi wishes to build the railway no matter whether it is built by the province itself or whether the contract for its construction is given to foreigners, the provincial authorities reserve the right to form an independent decision in which Messrs. Pauling and Company shall have no concern.

4.—The distance between Kueilin and Ch'uan-chou via the Huang Sha River is roughly 100 English miles, or 330 Chinese li. If, when the survey comes to be made, it is found that the exact distance is less or more than the estimate, the contract price of £3,400 shall nevertheless be adhered to and no extra charge shall be made over and above this amount on the score of the estimated length of 100 miles having been exceeded.

5.—Messrs. Pauling and Company Limited shall supply all necessary surveying instruments.

6.—All living expenses of the engineers conducting the survey together with all expenses for servants, bearers, transport of baggage, and surveying instruments, boats, and coolies, will be borne by Messrs. Pauling and Company Limited.

7.—It will be necessary to provide an escort to protect the engineers in making their survey. The salaries of the officers and the pay of the men will be defrayed by the Kwangsi authorities.

8.—Two Chinese interpreters conversant with the English language will be required for the survey. Their salaries will be paid by the provincial authorities. These interpreters shall be graduates of the Naval College who have qualified in surveying. These interpreters will accompany the engineers over the whole route. The engineers will utilise all occasions to teach them surveying methods in order

that, on completion of the survey and plans they will not be liable to fall into any errors.

9.—The contract price of £3,400 will be paid in five instalments. The first instalment of £500 will be paid on the date of signature of this agreement. £500 will be paid on arrival of the engineers at Kueilin. £1,000 will be paid when more than half the survey is completed. £1,000 will be paid when, on completion of the survey, the estimate and plans are handed in. As soon as the estimates and plans have been passed by an engineer of standing, and it is established that they do not deviate in any way from the lines laid down in the memorandum forming the separate document, the remaining £400 will be paid.

10.—The engineers sent by Messrs. Pauling & Company Limited must obey the regulations of the Board of Communications.

In the event of misconduct on the part of the engineers or infringement of the Board's regulations, Messrs. Pauling & Company Limited shall immediately dismiss the offending party and substitute another engineer at their own expense, the Provincial Authorities not being answerable in any way.

Messrs. Pauling & Company will be careful to select highly qualified engineers of good conduct for these appointments.

11.—The engineeers engaged by Messrs. Pauling & Company Limited must reach Kueilin within three months from the date of signature of the agreement. If they fail to arrive within the time limit, this agreement will become null and void and the first instalment of £500 will be repayable to the Provincial Authorities.

12.—This agreement will be signed in duplicate, one copy being kept by each party.

Taotai Wei Han, Director of the Canton-Kowloon Railway will sign on behalf of the Governor of Kwangsi and Oswald Christian Ormsby on behalf of the firm of Messrs. Pauling & Company Limited.

(Signed)

H. Wei, on behalf of the Governor of Kwangsi.

O. C. Ormsby, on behalf of Pauling & Co., Ltd.

Signatures certified to by H. H. Fox, H. B. M. Consul General. 19-5-'09.

NUMBER 1909/4.

GREAT BRITAIN (Hongkong) AND CHINA.

Arrangement regulating the exchange of postal parcels.—June 5 and 22, 1909.*

The exchange of postal parcels between the Administration of Posts of Hongkong and the Administration of Customs and Posts of China, provided for

* The terms of this arrangement would appear to have been modified by the fact of the Chinese Government's adherence, from September 1, 1914, to the parcels post convention concluded at Rome, May 26, 1906 (No. 1906/3, *ante*).

in Article VIII of the Postal Arrangement concluded on the 12th December 1904 between the two above-mentioned Administrations,† shall be regulated according to the conditions hereunder stated.

ARTICLE I.—WEIGHT OF PARCELS.—The maximum weight of a parcel, whether of declared value or not, shall not exceed five kilogrammes (eleven pounds).

However, there shall be an exception made for parcels destined for Offices of the Administration of Customs and Posts of China that are not connected by railway or by steamer, in which case the limit shall be three kilogrammes (six pounds); but this limit may at any time hereafter be raised by mutual agreement between the two Administrations.

ARTICLE II.—DIMENSIONS OF PARCELS.—The postal parcels to which this Convention is for the present to apply shall be those of which no dimension shall exceed sixty centimetres (two feet) in any one direction and of which the volume shall not exceed twenty-five cubic decimetres (one cubic foot).

Parcels, however, containing umbrellas, walking-sticks, charts, plans, and such-like articles shall be accepted if they do not exceed one metre (three feet three inches) long and twenty centimetres broad or thick.

The limits of weight, dimensions, and volume herein determined may be increased by mutual agreement.

ARTICLE III.—EXCHANGE OF PARCELS.—The exchange of postal parcels shall take place through the intermediary of the British Offices established in China and the Chinese Offices established in the same localities as these British Offices; and where there are no British Offices between the British and Chinese Post Offices at Shanghai for postal parcels to or from river and coast ports north of Shanghai; but for postal parcels to or from southern ports, direct between the Offices of China and Hongkong.

ARTICLE IV.—TRANSMISSION OF PARCELS.—1.—The Hongkong Administration shall be intermediary (by means of the services it may maintain) for the exchange of parcels between China on the one part and the United Kingdom, British possessions, and foreign countries on the other.

2.—The Administration of Customs and Posts of China engages on its part to assure the transmission by its services of all parcels that shall be handed to it by the Hongkong Administration.

ARTICLE V.—TARIFFS AND POSTAGE.—Each Administration shall itself determine the taxes and duties to be collected on postal parcels forwarded by its own Offices.

The prepayment of postage on postal parcels shall be obligatory before departure. However, the fee for delivery shall be payable by the addressee.

Moreover, parcels destined for places in China not connected by railway or by steamer may be further charged for transmission beyond railway or steamer services, at the expense of the addressee, supplementary taxes the amount of which shall be determined by the Administration of Customs and Posts of China.

† For the text of this arrangement, see note concerning the Rome conventions of May 26, 1906 (No. 1906/3, *ante*).

It is understood that the Hongkong Administration shall not tax parcels exchanged between its Offices in China at rates lower than those charged by the Chinese Administration of Posts.

ARTICLE VI.—TRANSIT CHARGES.—1.—The Administration of Customs and Posts of China shall pay to the Administration of Posts of Hongkong the following charges:—

For each parcel destined for Hongkong or any of its Agencies in China, an inland postage of fr. 0.25.

For parcels destined for the United Kingdom, British possessions, and foreign countries, the charges indicated in Table A drawn up by the Administration of Posts of Hongkong.

For each closed box containing parcels exchanged between two Chinese Post Offices through the intermediary of Hongkong, a transshipment charge of $1 Mex.

2.—The Administration of Posts of Hongkong shall pay to the Administration of Customs and Posts of China the following charges:—

(*a.*) For each parcel handed to the Chinese Administration, fr. 0.25.

(*b.*) For each parcel necessitating maritime or territorial transit within the limits of steam communications, an additional charge of fr. 0.50.

(*c.*) For parcels destined for places outside of China, the additional charges indicated in Table A drawn up by the Administration of Customs and Posts of China.

N.B.—Each parcel destined for a place beyond the limits of steam communication (*i.e.*, not over three kilogrammes weight) will pay at destination the Chinese domestic tariff.

ARTICLE VII.—PARCELS OF DECLARED VALUE.—Besides the transit charges, the Administration of origin shall pay, in respect of insurance fees on parcels of declared value, to the other Administration, and, if need be, to each Administration participating in the transmission when such Administration is under guarantee of responsibility, a proportional part of the determined insurance fees, viz.: for 300 francs or fraction of 300 francs, fr. 0.05 for territorial transit, and fr. 0.10 for maritime transit.

ARTICLE VIII.—ACKNOWLEDGEMENT OF RECEIPT.—The sender of a postal parcel may obtain an acknowledgement of receipt of his parcel by paying a fee that shall not exceed fr. 0.25.

The same fee may be charged when, subsequent to posting, inquiries are made about a parcel, provided the special fee for an acknowledgment of receipt has not been paid already.

This charge shall accrue entirely to the Administration of origin.

ARTICLE IX.—DELIVERY AND CUSTOMS FORMALITIES.—It shall be allowable for the country of destination to collect from the addressee a fee that shall not exceed fr. 0.25 per parcel for delivery and Customs formalities.

ARTICLE X.—ANNULMENT OF CUSTOMS DUTIES.—In the case of the retransmission or of the return of a parcel to the Office of origin, the Customs duties that have been paid on the parcel in the country of first destination shall be annulled.

ARTICLE XI.—RESPONSIBILITY.—1.—Except in cases of *force majeure,* if a postal parcel be lost, despoiled, or damaged, the sender or, in his default or by his request, the addressee shall be entitled to an indemnity corresponding to the actual amount of the loss, the spoliation, or the damage, unless this damage be caused by the fault or by the negligence of the sender, or be due to the nature of the parcel itself; but this indemnity shall not exceed 25 francs for ordinary parcels and the declared value for parcels of declared value.

Besides, the sender of a lost parcel shall be entitled to refund of the postage on the parcel and also to the postage expenses connected with making the inquiries when the cause of the claim is due to the fault of the Post Office. However, the insurance fee shall be retained by the Postal Administrations.

2.—The obligation to pay the indemnity shall be incumbent upon the Administration of the Office of origin; it shall then rest with this Administration to prefer a claim against the responsible Administration, that is to say, against the Administration upon whose territory or in whose services the loss, spoliation, or damage shall have taken place.

3.—Until proved to the contrary, the responsibility shall remain with the Administration which, having received the parcel without making any remark, can establish neither its delivery at its destination nor, as may happen, its regular transmission to the next Administration.

4.—The payment of the indemnity by the Office of origin shall be made as soon as possible, and not later than one year after the date of the claim. The responsible Office shall refund without delay to the Office of origin the amount of the indemnity paid by the latter.

The Office of origin shall be authorised to indemnify the sender on behalf of the intermediary Office or of the Office of destination which, having been regularly notified, shall have allowed one year to elapse without having settled the claim. Moreover, in the case of an Office, whose responsibility shall be duly established, which shall decline altogether to pay the indemnity, it shall undertake to pay, besides the indemnity, the necessary expenses resulting from undue delay in making the payment.

5.—It is understood that a claim shall be admitted only if made within one year from the date of posting the parcel; after this limit the claimant shall not be entitled to any indemnity.

6.—If the loss or damage happen during transmission between the Offices of exchange of the two Administrations, thus rendering it impossible to decide upon which of the two territories the act took place, the two Administrations concerned shall share the loss equally.

7.—The Administrations shall cease to be responsible for postal parcels delivery of which shall have been taken by the persons entitled to receive them.

8.—The Administration of Posts of Hongkong shall not be liable for loss or damage to contents of parcels exchanged in closed mails between two Chinese Post Offices through the intermediary of the Hongkong Administration.

ARTICLE XII.—OFFICES AUTHORISED TO EXCHANGE PARCELS.—The Postal Administrations of Hongkong and of China shall designate the Offices or the localities at which the exchange of postal parcels is to be allowed.

They shall supply each other with a list of the places open to this service.

ARTICLE XIII.—ARTICLES PROHIBITED.—Parcels shall not contain any letter or note, either sealed or open, that might establish a correspondence between the sender and the addressee. Exception may be made only in the case of invoices, price lists, and other open documents that relate exclusively to the contents of the parcel.

The sender shall also be forbidden to enclose in a parcel any explosive or inflammable material and generally all articles the transmission of which presents any danger whatsoever, or the importation of which shall be contrary to the laws or to Customs regulations or otherwise not authorised.

Parcels containing money, articles made of gold or of silver, and other precious articles must have their value declared.

In case of infraction of these above rules the parcel shall simply be returned to the place of origin.

The two Administrations shall communicate to each other a list of things and products forbidden importation into their territories.

ARTICLE XIV.—SUSPENSION OF THE SERVICE.—In extraordinary circumstances, of a nature to justify the measure, each Administration may temporarily suspend the parcel post service, either entirely or partially, on condition that immediate notice be given, if need be by telegraph, to the other Administration concerned.

ARTICLE XV.—FULFILMENT OF THE CONVENTION.—The Postal Administrations of Hongkong and of China shall settle all matters of detail and of disposition, in order to ensure the fulfilment of the present Convention.

They shall supply to each other a list of the countries with which they may respectively serve as intermediaries.

ARTICLE XVI.—GENERAL PROVISION.—The internal legislation of each of the contracting countries, as well as the dispositions of the International Convention of Washington and of the "Règlement de détail" thereto annexed, shall remain applicable to all points not herein provided for or not contrary to the present Convention.

ARTICLE XVII.—DURATION OF THE PRESENT CONVENTION.—The present Arrangement shall be put into operation from a day mutually to be agreed upon by both Administrations, and it shall remain in force for an indefinite period. However, the contracting parties reserve to themselves the right to make at any time such modifications therein as they may by mutual agreement judge necessary, or to terminate the Arrangement by giving at least six months notice in advance.

Done in duplicate and signed at:

Hongkong, 22nd June 1909:

In the name of the
Postal Administration of Hongkong:

C. McI. MESSER,
Postmaster General,

Peking, 5th June 1909:

In the name of the
Postal Administration of China:

T. PIRY,
Postal Secretary,
Chinese Imperial Post Office.

NUMBER 1909/5.

BRAZIL AND CHINA.

Arbitration Convention.—August 3, 1909.*

The President of the United States of Brazil and his Majesty the Emperor of China, desiring to conclude an Arbitration Convention in application of the principles enounced in Articles 15 to 19 and 21 of the Convention for the Pacific Settlement of International Disputes, signed at the Hague on the 29th July, 1899, and in Articles 37 to 40 and 42 of the Convention signed in the same city of the Hague on the 18th October, 1907, have named as their plenipotentiaries, that is to say:

The President of the United States of Brazil, Mr. M. C. Goncalves Pereira, Envoy Extraordinary and Minister Plenipotentiary to China and to Japan;

His Majesty, the Emperor of China, Mr. Lien Fang, Vice-President of the Board of Foreign Affairs;

Who, being duly authorized, have agreed upon the following articles:

ART. I.—Differences which may arise of a legal nature or relating to the interpretation of treaties existing between the two Contracting Parties, and which it may not have been possible to settle by diplomacy, shall be referred to the Permanent Court of Arbitration established at the Hague by the Convention of the 29th July, 1899, provided, nevertheless, that they do not affect the vital interests, the independence, or the honor of the two Contracting States, and do not concern the interests of Third Parties; it being further understood that, if one of the two Contracting Parties prefer it, all arbitration resulting from the present Convention shall be submitted to a Head of a State, to a friendly Government, or one or more arbitrators chosen outside the list of the Tribunal of the Hague.

ART. II.—In each individual case the High Contracting Parties before appealing to the Permanent Court of Arbitration at the Hague, to other arbitrators or to a sole arbitrator, shall conclude a special agreement defining clearly the matter in dispute, the scope of the powers of the arbitrator or arbitrators, and the periods to be fixed for the formation of the arbitral tribunal or the choice of an arbitrator or of arbitrators, as well as the rules of the procedure.

It is understood that with respect to the United States of Brazil, such special agreement will be made by the President of the Republic with the consent of the National Congress, and with respect to the Chinese Empire, by the Emperor in such form and under such conditions as he shall deem necessary or convenient.

ART. III.—The present Convention shall remain in force for the period

* Translation, as printed in *Am. Int. Law Journal, Supplement,* 1910, p. 255.
Portuguese, French and Chinese texts printed in *Customs,* vol. II, p. 824; French text in *Hsüan Tung Tiao Yüeh,* vol. I, p. 6.

of five years from the date of the exchange of ratifications. If it is not denounced six months before the expiration of this period it will continue to remain in force for a new period of five years and so successively.

ART. IV.—The present Convention will be ratified after the legal formalities in the two countries have been observed, and the ratifications will be exchanged at Rio de Janeiro as soon as possible.

The present Convention is drawn up in the Portuguese, Chinese and French languages. Four copies have been prepared. In case of disagreement, the French text alone shall be authoritative.

In testimony whereof we, the above-named plenipotentiaries, have signed the present Convention and affixed our seals thereto.

Done at Peking the third of August, one thousand nine hundred and nine, corresponding to the eighteenth day of the sixth moon of the first year of Hsüan Tung.

(Signed) M. C. GONCALVES PEREIRA.
LIEN FANG.

NUMBER 1909/6.

JAPAN (South Manchuria Railway Company) AND CHINA.

Detailed Agreement for the Hsinmint'un-Mukden Railway loan.—August 18, 1909.*

The deputy, named below, of the Chinese Board of Posts and Communications (hereinafter called the Board of Posts and Communications) and the deputy, named below, of the South Manchuria Railway Joint Stock Company (hereinafter called the Company), acting in accordance with the Hsinmintun-Mukden and Kirin-Changchun Railway agreements between the Chinese and Japanese Governments of the 33rd year of Kuanghsü, 3rd moon, 3rd day, or the 40th year of Meiji, 4th month, 15th day (April 15, 1907), and also in accordance with the supplementary agreement of the 34th year of Kuanghsü, 10th moon, 19th day, or the 41st year of Meiji, 11th month, 12th day (November 12, 1908) (hereinafter called the Supplementary Agreement), have drawn up the following agreement providing for a loan for that part of the Hsinmint'un-Mukden Railway lying east of the Liao River.

ARTICLE 1.—In accordance with Article 1 of the Supplementary Agreement,

* Translation from the Chinese text as printed in *Wang*, p. 137.
In connection with this agreement see also the Convention regarding the Hsinmin-Mukden and Kirin-Changchun railways, April 15, 1907 (No. 1907/3, *ante*): the Agreement for the handing over by Japan of the Hsinmin-Mukden Railway, May 27, 1907 (No. 1907/5, *ante*): the Supplementary Agreement for a loan for the Hsinmin-Mukden and Kirin-Ch'angch'un railways, November 12, 1908 (No. 1908/18, *ante*).

the Company agrees to make a loan of half the amount required for the construction of that part of the Hsinmint'un-Mukden Railway lying east of the Liao River, namely yen 320,000, Japanese currency, at a discount of 93, to be handed over at Tokyo to the Chinese Minister to Japan, the Chinese Minister there to hand over to the Company a certificate as per Form A attached to this agreement.

ARTICLE 2.—After this agreement has been drawn up, within one month after a note is addressed thereon to the Japanese Minister at Peking, the loan fixed as above will be paid in full in one instalment on the date fixed by the Chinese Government. The date for the receiving of the loan by the Chinese Government will be notified to the Company ten days before the loan is paid.

ARTICLE 3.—The loan will be for a term of eighteen years, and will be repaid in thirty-six equal instalments, beginning from the date when the loan is paid to China, every half year (Gregorian Calendar), in accordance with the attached amortization table. Interest on that part of the capital which is repaid will cease on the date of payment.

ARTICLE 4.—Interest will be reckoned from the date of the payment of the loan to China, and will be payable once every half year (Gregorian Calendar) in accordance with the attached table.

ARTICLE 5.—The Director General of the Peking-Mukden Line will turn over the capital and interest, as payment thereof falls due, to the Company at Dairen or Tokyo, as convenient to the Chinese Government. The Company will then deliver to the Director General of the Peking-Mukden Line certificates as per Forms B and C attached to this agreement, in accordance with the amount of capital and interest paid, as per the attached amortization and interest tables.

ARTICLE 6.—In accordance with Article 5 of the Supplementary Agreement, the capital and interest due annually will be reduced to Hang P'ing Hua Pao Taels due each month, and deposited at the Tientsin branch of the Yokohama Specie Bank.

Interest on the deposits referred to in the preceding paragraph will be paid to the Peking-Mukden Line by the Tientsin branch of the said bank in accordance with the current advertised rate of interest.

The matters referred to in the preceding two paragraphs will be carried on during the life of the said bank.

If the life of the said bank should expire and should be extended, the same procedure will continue to be followed.

If the life of the said bank should not be extended, the Company will then indicate another bank, and the same procedure will be continued.

ARTICLE 7.—All matters in this agreement pertaining to the payment of capital and interest, which may not have been clearly stated, may be discussed and settled by the Chinese Railway Administration (hereinafter called the Administration) and the Company, as occasion therefor arises.

ARTICLE 8.—This agreement must be approved by the Governments of the two nations, after which it will be put into effect .

ARTICLE 9.—After the agreement has been signed and sealed, the Director General of the Administration will refer it by memorial to the Throne, and the

edict of the Throne will be communicated by a note from the Chinese Board of Foreign Affairs to the Japanese Minister at Peking.

ARTICLE 10.—This agreement will become invalid after the principal and interest have been paid in full.

ARTICLE 11.—The original copies of this agreement will be drawn up in quadruplicate, in Chinese and Japanese, and one copy be given to each of the following: the Chinese Board of Foreign Affairs, the Administration, the Japanese Minister at Peking, and the Company.

ARTICLE 12.—Should there be a disagreement in regard to the interpretation of the terms of this agreement, the Administration and the Company will each choose a person from outside as arbitrator. If the arbitrators can not come to a decision, they will then both choose a person from outside to be chief arbitrator. If the two arbitrators can not agree in their choice, then each will choose one person, one of whom will be confirmed by lot. Among these men the decision of the majority will rule, and each side must abide thereby without further question.

The 1st year of Hsüan T'ung, 7th moon, 3rd day:
The 42nd year of Meiji, 8th month, 18th day:
(August 18, 1909).

(Signed and sealed) LU TSU-HUA.
Expectant Prefect, Wearer of the Peacock Feather, Deputy of the Board of Posts and Communications.

(Signed and sealed).....
The Director-General of the South Manchuria Railway Joint Stock Company.

Attached herewith: †
Certificate Forms A, B, and C;
Interest and Amortization Tables.

† Not printed.

NUMBER 1909/7.

JAPAN (South Manchuria Railway Company) AND CHINA.

Detailed Agreement for the Kirin-Changchun Railway loan.—August 18, 1909.*

The deputy, named below, of the Chinese Board of Posts and Communications (hereinafter called the Board of Posts and Communications) and the deputy, named below, of the South Manchuria Railway Joint Stock Company (hereinafter called the Company), acting in accordance with the Hsinmintun-Mukden and Kirin-Changchun Railway agreements between the Chinese and Japanese Governments of the 33rd year of Kuanghsü, 3rd moon, 3rd day, or the 40th year of Meiji, 4th month, 15th day (April 15, 1907), and also in accordance with the Supplementary Agreement of the 34th year of Kuanghsü, 10th moon, 19th day, or the 41st year of Meiji, 11th month, 12th day (November 12, 1908) (hereinafter called the Supplementary Agreement), have drawn up the following agreement providing for a loan for the Kirin-Changchun Railway.

ARTICLE 1.—In Accordance with Article 1 of the Supplementary Agreement, the Company agrees to make a loan of half the amount required for the construction of the Kirin-Changchun Railway, namely yen 2,150,000, Japanese currency, at a discount of 93, to be handed over at Tokyo to the Chinese Minister to Japan, the Chinese Minister there to hand over to the Company a certificate as per Form A attached to this agreement.

ARTICLE 2.—After this agreement has been drawn up, within one month after a note is addressed thereon to the Japanese Minister at Peking, the loan fixed as above will be paid in full in one instalment on the date fixed by the Chinese Government. The date for the receiving of the loan by the Chinese Government will be notified to the Company ten days before the loan is paid.

ARTICLE 3.—The loan will be for a term of twenty-five years, reckoning from the date when payment is made to China. Beginning from the sixth year it will be repaid in forty equal instalments once every half year (Gregorian Calendar), in accordance with the attached amortization table. Interest on that part of the capital which is repaid will cease on the date of repayment.

ARTICLE 4.—Interest will be reckoned from the date of the payment of the loan to China, and will be payable once every half year (Gregorian Calendar) in accordance with the attached table.

ARTICLE 5.—The Director General of the Railway Administration of the Chinese Board of Posts and Communications (hereinafter called the Administra-

* Translation from the Chinese text as printed in *Wang*, p. 155.

In connection with this agreement see also the Convention regarding the Hsinmin-Mukden and Kirin-Changchun railways, April 15, 1907 (No. 1907/3, *ante*); Supplementary Agreement for a loan for the Hsinmin-Mukden and Kirin-Changchun railways, November 12, 1908 (No. 1908/18, *ante*); Article 6 of the agreement relating to Chientao, September 4, 1909 (No. 1909/10, *post*); Article 7 of the Sino-Japanese treaty respecting South Manchuria and Eastern Inner Mongolia, May 25, 1915 (No. 1915/8, *post*); and the Kirin-Ch'angch'un Railway loan agreement of October 12, 1917 (No. 1917/11, *post*).

tion) or the Director General of the Kirin-Changchun Railway will turn over the capital and interest, as payment thereof falls due, to the Company at Dairen or Tokyo, as convenient to the Chinese Government. The Company will then deliver to the Director General of the Kirin-Changchun Railway certificates as per Forms B and C attached to this Agreement, in accordance with the amount of capital and interest paid, as per the attached amortization and interest tables.

Article 6.—The traffic receipts of the Kirin-Changchun Railway will be deposited at the branches or suboffices of the Yokohama Specie Bank, either at Changchun or at Kirin. If, however, such receipts should be in a currency ordinarily not accepted by the branches or suboffices of the said bank, they will not be deposited therein. It follows from this that the Company and the said bank can not, in accordance with paragraph (*f*) of Article 3 of the Convention,† require the Kirin-Changchun Railway Administration to make up the equivalent of such currency which, as stated above, is not ordinarily accepted by the branches or suboffices of the said bank, to be converted at the current rate and deposited at the said bank.

Of the funds deposited, to which reference is made in the preceding paragraph, if a surplus remains after the Kirin-Changchun Railway has made disbursements therefrom, then it will be kept on deposit up to the amount of six months' interest on the loan. Any surplus thereafter will be subject to the disposition of the Director General of the Administration, who may instruct the Director General of the Kirin-Changchun Railway to apply it to the use of the Chinese Government.

Interest will be paid by the bank on the deposits referred to above in the first paragraph, in accordance with the current rate of interest advertised by the branch banks or suboffices.

The matters referred to in the three preceding paragraphs will be carried on during the life of the said bank.

If the life of the said bank should expire and should be extended, the same procedure will continue to be followed.

If the life of the said bank should not be extended, the Company will then indicate another bank, and the same procedure will be continued.

Article 7.—All matters in this agreement pertaining to the payment of capital and interest, which may not have been clearly stated, may be discussed and settled by the Chinese Railway Administration and the Company, as occasion therefor arises.

Article 8.—This Agreement must be approved by the Governments of the two nations, after which it will be put into effect.

Article 9.—After this agreement has been signed and sealed, the Director General of the Administration will refer it by memorial to the Throne, and the edict of the Throne will be communicated by a note from the Chinese Board of Foreign Affairs to the Japanese Minister at Peking.

Article 10.—This agreement will become invalid after the principal and interest have been paid in full.

Article 11.—The original copies of this agreement will be drawn up in

† *I.e.*, the convention of April 15, 1907, referred to above.

quadruplicate, in Chinese and Japanese, and one copy be given to each of the following: the Chinese Board of Foreign Affairs, the Administration, the Japanese Minister at Peking, and the Company.

ARTICLE 12.—Should there be a disagreement in regard to the interpretation of the terms of this agreement, the Administration and the Company will each choose a person from outside as arbitrator. If the arbitrators can not come to a decision, they will then both choose a person from outside to be chief arbitrator. If the two arbitrators can not agree in their choice, then each will choose one person, one of whom will be confirmed by lot. Among these men the decision of the majority will rule, and each side must abide thereby without further question.

The 1st year of Hsüan T'ung, 7th moon, 3rd day:
The 42nd year of Meiji, 8th month, 18th day:
(August 18th, 1909).

(Signed and sealed) LU TSU-HUA
Expectant Prefect, Wearer of the Peacock Feather, Deputy of the Board of Posts and Communications.

(Signed and Sealed).....
The Director-General of the South Manchuria Railway Joint Stock Company.

Attached herewith:‡
Certificate Forms A, B, and C;
Interest and Amortization Tables.

NUMBER 1909/8.

JAPAN AND CHINA.

Memorandum concerning the reconstruction of the Antung-Mukden Railway.—August 19, 1909.*

The Imperial Japanese Consul General at Mukden, Mr. Koike, and the Viceroy of the Three Eastern Provinces, Hsi Liang, and the Chinese Governor of Mukden, Cheng, in accordance with the orders of their respective Governments, have agreed upon the following in reference to the Antung-Mukden Railway:

1.—The same gauge as that of the Peking-Mukden Railway shall be adopted.

* Translation from the Japanese text as printed in *Shina Kankei Tokushu Joyaku Isan*, p. 41. A translation of the five articles is printed also in *F. E. Review*, vol. VIII, p. 16, and vol. XI, p. 389.

In connection with this memorandum see also the additional agreement attached to the Treaty between Japan and China concerning Manchuria, December 22, 1905 (No 1905/18, *ante*), particularly Article 6: Agreement concerning mines and railways in Manchuria, September 4, 1909 (No. 1909/9, *post*); Convention relating to railway connections at Antung, November 2, 1911 (No. 1911/11, *post*).

‡ Not printed.

2.—Both Japan and China shall recognize and approve, on the whole, the line as already surveyed and agreed to by the commissioners of the two Governments, but the location of that portion of the line from Chen-hsiang-tun to Mukden shall remain to be decided by mutual conference between the two countries.

3.—On and from the date when the memorandum is signed, negotiations for the purchase of land and for the adjustment of all other details shall be instituted.†

4.—From the day following the signing of the memorandum, that is from the day after the negotiations above mentioned are instituted, the work of reconstruction shall be accelerated.

5.—China shall instruct the local officials along the line to give every facility regarding the execution of the work.

Accordingly, two copies of this having been drawn up in Japanese and in Chinese, and sealed, one copy in each language will be retained by each party as evidence of the agreement.

(L. S.)	(Sgd.)	KOIKE CHOZO
(L. S.)	(Sgd.)	HSI LIANG
(L. S.)	(Sgd.)	CHENG

Note.

In *Chung Hua Fa Kuei Ta Ch'üan* is given, without indication of date, the Chinese text of Regulations for the purchase of land for the Antung-Mukden Railway, of which the translation is as follows:

Regulations for Purchase of Land for Antung-Mukden Railway.

"The question of the alteration of the Antung-Mukden Railway having been settled, the Comissioner of Foreign Affairs for Fengtien, Teng Hsiao-hsien, appointed Yüan Liang, senior clerk of his office, to negotiate the purchase of land with the head of the Fengtien office of the South Manchuria Railway, Tso-T'eng-An-Chih-Chu. The regulations have now been agreed to. The commissioner petitioned the viceroy and the governor to issue circular instructions to the local officials along the line to issue orders within their districts to act in accordance therewith. Surveying will be commenced after the harvests. The regulations governing the purchase of the land are as follows:

"ARTICLE 1.—A Land Purchase Bureau (Kou Ti Chü) will be established for arranging the purchase of land required for the Antung-Mukden Railway. The officers of the bureau will be appointed by the Chinese authorities and the South Manchuria Railway Company (hereinafter referred to as 'the Company').

"ARTICLE 2.—The Land Purchase Bureau will be composed of a general bureau (Tsung Chü) and two subbureaus (Fen Chü). Each subbureau will control six surveying parties (Chang Liang Pan). The personnel and organization will be set forth in a supplemenary table.

"ARTICLE 3.—The General Land Purchase Bureau will be established at Mukden and will be composed of two chiefs of bureau, two assistant chiefs, and an executive staff. The positions of chiefs of bureau will be occupied by the senior clerk of the office of the Commissioner of Foreign Affairs and the head of the office of the South Manchuria Railway Company. They will exercise general supervision over all matters connected with the purchase of land.

"The assistant chiefs will be appointed by the Chinese authorities and the Company. They will have special supervision over the purchase of land by the general bureau and will also act as chiefs of the subbureaus.

"Positions on the executive staff will be filled by deputies of the Commissioner of Foreign Affairs and appointees of the Company.

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† See Note, *infra*.

"ARTICLE 4.—A deputy familiar with the purchase of land will be appointed to the subbureaus from each of the districts of Cheng Te, Pen Hsi, Feng Huang, and Antung, to facilitate the purchase of land within these jurisdictions.

"ARTICLE 5.—Should it be necessary a subbureau can move its location out of one district into another.

"ARTICLE 6.—The subbureaus will supervise the surveying parties and give them all the assistance in their power, with a view to the early completion of the survey. They will settle disagreements which may arise between the surveying parties and the owners of the land.

"ARTICLE 7.—Should the subbureaus be unable to solve difficulties relating to land and matters thereto appertaining, they will refer them to the general bureau for settlement.

"ARTICLE 8.—The Land Purchase Bureau will have printed the forms described below and stationery for distribution to the surveying parties.

"ARTICLE 9.—The deeds of sale will be drawn up on attached duplicate forms. They will be signed and sealed by the seller, middlemen, and also by the village headman. The originals will be deposited at the general bureau to be handed over to the company as evidence of the property of the company. The duplicates will be transmitted to the disburser of funds.

"ARTICLE 10.—A disburser of funds will be attached to each subbureau to have special charge of paying out the purchase price of the land.

"ARTICLE 11.—The activities of the surveying parties will in general be as follows:

"(1) One of the executive staff will first investigate the conditions and ownership of the land, after which, in company with the village headmen and the owners of adjoining property, a survey will be made and an examination conducted of the deeds and other evidence held by the owner of the land.

"(2) After the surveyors have completed the survey of the land required they will reckon the area thereof and draw up a map.

"(3) One of the executive staff will have special charge of the accounts and the drawing up of deeds.

"ARTICLE 12.—The affixing of the seal to the deeds and the handing over of the price of the land will take place at such localities and times, chosen by the subbureaus, as best suit the convenience of the owners of the land.

"ARTICLE 13.—The head of the surveying party in each section will from time to time render reports to the subbureaus, which will as soon as possible collect and submit them to the general bureau.

"ARTICLE 14.—The tariff of prices of land and other property and the procedure as to indemnification for losses will be fixed by another set of regulations.

"ARTICLE 15.—After the land in each section has been purchased a map will be drawn up and an account form filled out of the land required, which will be signed and sealed by the two Chinese and Japanese chiefs of bureau and one copy kept by each as evidence.

"ARTICLE 16.—The company will be responsible for all expenses incurred by the Land Purchase Bureau.

"ARTICLE 17.—The salaries and traveling expenses of the Chinese officials in the Land Purchase Bureau will be settled separately.

"ARTICLE 18.—The salaries and traveling expenses of the Japanese officials in the Land Purchase Bureau will be settled in accordance with the rules of the company.

"Supplementary Table of the Organization of the Antung-Mukden Land Purchase Bureau.

"Personnel of the general bureau:
- 2 Chiefs of bureau.
- 2 Assistant chiefs of bureau.
- An executive staff.

"Personnel of each of the two subbureaus:
- 1 Chief of the subbureau.
- 4 Members of the executive staff.
- 1 Accountant.
- 1 Clerk.

"Personnel of each of the twelve surveying parties:
- 2 Members of the executive staff.
- 1 Surveyor.
- 1 Mechanic .
- 1 Clerk.
- 2 Laborers.

"NOTE:—Of the four members of the executive staff of the subbureaus, two will be deputies for purchasing land appointed from the offices of the local officials. The offices of the local official will also appoint a mechanic to assist the surveying parties in matters connected with land measurement.

"The first branch bureau will be located at Ch'iao T'ou and will extend from Mukden to Ts'ao Ho K'ou, comprising the first to the sixth surveying parties.

"The second branch bureau will be located at Chi Kuan Shan and will extend from Ts'ao Ho K'ou to Sha Ho Chen, comprising the seventh to the twelfth surveying parties."

NUMBER 1909/9.

JAPAN AND CHINA.

Agreement concerning mines and railways in Manchuria.—September 4, 1909.*

The Imperial Government of Japan and the Imperial Government of China, actuated by the desire to consolidate the relations of amity and good neighborhood between the two countries, by settling definitively the matters of common concern in Manchuria, and by removing for the future all cause of misunderstanding, have agreed upon the following stipulations:

ART. 1.—The Government of China engages that in the event of its undertaking to construct a railway between Hsinmintun and Fakumen, it shall arrange previously with the Government of Japan.

ART. 2.—The Government of China recognizes that the railway between Tashichao and Yinkow is a branch line of the South Manchuria Railway, and it is agreed that the said branch line shall be delivered up to China simultaneously with the South Manchuria Railway upon the expiration of the term of concession for that main line. The Chinese Government further agrees to the extension of the said branch line to the port of Yinkow.

ART. 3.—In regard to the coal mines at Fushun and Yuentai, the Governments of Japan and China are agreed as follows:

(*a*) The Chinese Government recognizes the right of the Japanese Government to work the said coal mines.

(*b*) The Japanese Government, respecting the full sovereignty of China, engages to pay to the Chinese Government tax upon coals produced in those mines. The rate of such tax shall be separately arranged upon the basis of the lowest tariff for coals produced in any other places of China.

(*c*) The Chinese Government agrees that in the matter of the exportation of coals produced in the said mines, the lowest tariff of export duty for coals of any other mines shall be applied.

(*d*) The extent of the said coal mines, as well as all detailed regulations, shall be separately arranged by commissioners specially appointed for that purpose.†

* Translation from the Japanese text, as printed in *For. Rel.*, 1909, p. 118. Printed also in *Am. Int. Law Journal, Supplement*, 1910, p. 130. See Note 1 to this document, *post*, p. 791.

† See Note 2 to this document, *post*, p. 792.

ART. 4.—All mines along the Antung-Mukden Railway and the main line of the South Manchuria Railway, excepting those at Fushun and Yuentai, shall be exploited as joint enterprises of Japanese and Chinese subjects, upon the general principles which the Viceroy of the Eastern Three Provinces and the Governor of Mukden agreed upon with the Japanese Consul General in the fortieth year of Meiji, corresponding to the thirty-third year of Kuangshu.‡ Detailed regulations in respect of such mines shall, in due course, be arranged by the Viceroy and the Governor with the Japanese Consul General.§

ART. 5.—The Government of Japan declares that it has no objection to the extension of the Peking-Mukden Railway to the city wall of Mukden. Practical measures for such extension shall be adjusted and determined by the local Japanese and Chinese authorities and technical experts.‖

In witness whereof, the undersigned, etc., etc.

Note 1.

In connection with this agreement see also the Sino-Japanese treaty and exchanges of notes respecting South Manchuria and Eastern Inner Mongolia, May 25, 1915 (No. 1915/8, *post*).

At p. 117 of *For. Rel.*, 1909, is printed the following translation (from the Chinese text) of a memorandum concerning mines along the line of the Antung-Mukden Railway, signed in 1907 by the Viceroy of Manchuria and the Japanese Consul General at Mukden:

Memorandum concerning Mines along Antung-Mukden Railway, 1907.

"1.—The Japanese Consul General hereby declares that when the present military railway between Antung and Mukden is changed to standard gauge the present route may be slightly changed but will not follow an entirely different route.

"2.—The Japanese who are temporarily residing along the line of the railway will be prohibited by the Japanese Consul General from surveying mining properties. Hereafter such work will be carried on under the provisions of Article 3.

"3.—All coal, iron, tin, and lead mines situated near the railway may be worked conjointly after officials of both countries have made an inspection. The operators concerned should specify exactly the localities to be worked and petition the Viceroy of Manchuria and the Governor of Fengtien, who, after giving their consent, will ask for an edict permitting the work to be carried on. The conditions of working the mines will be similar to those contained in the Agreement of Lin-ch'eng Hsien. [See the agreement of March 22, 1905 (No. 1905/1, *ante*).]

"4.—If in future operators of other nationalities are permitted to work coal mines and are given better terms than those of the agreement of Lin-ch'eng Hsien in Chihli Province, thereafter the coal mines along the line of this railway which are permitted to be worked jointly shall on petition be granted the same privileges. The iron, tin, and lead

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‡ Quoted in Note 1 to this document, *infra*.

For correspondence between the American and the Chinese and Japanese Governments concerning the effect of this provision, see *For. Rel.*, 1909, pp. 116-124. In the course of that correspondence, the Chinese Foreign Office, under date of November 18, 1909, stated to the American Legation that "the reference in the said agreement to joint Chinese-Japanese exploitation of mines along the two railways mentioned does not involve a monopoly of the rights and privileges of opening mines in the designated territory, nor confer any exclusive rights to mines therein upon Japanese subjects, but that mines in the territory mentioned may with the consent of the Chinese Government be exploited by third parties also." Under date of November 25, 1909, the Japanese Ministry for Foreign Affairs likewise advised the American Embassy that "the provisions of the agreement of September 4 last, in reference to joint exploitation of mines along the said railways do not and were not intended in any way or to any extent to involve a monopoly of the right to discover, open, and operate mines in Manchuria, to the exclusion of American citizens, or any other persons."

§ See Note 3 to this document, *post*, p. 793.

‖ See Note 4 to this document, *post*, p. 795.

mines which are worked jointly shall pay taxes and dues according to such regulations as may hereafter be issued by the Board of Agriculture, Industries, and Commerce.

"5.—If hereafter operators of other nationalities are permitted to work iron, tin, or lead mines in the province of Fengtien and if after paying the taxes and dues fixed by the board they enjoy any special privileges, thereafter such companies of Chinese and Japanese as may be permitted to work these three sorts of mines along the line of the railway shall on petition be accorded the same privileges."

Note 2.

The following is a translation, from the Japanese text printed at p. 44 of *Shina Kankei Tokushu Joyaku Isan,* of the detailed regulations for the Fushun and Yentai Mines, signed on May 12, 1911:

Detailed Regulations for Fushun and Yentai Mines, May 12, 1911.

"The delegates of Japan and China, having been duly clothed with authority by their respective Governments, do establish the following detailed regulations in regard to the Fushun and Yentai mines, based on the provisions of Article 3 of the agreement in regard to Manchurian affairs which was concluded by the Governments of Japan and China at Peking on the 4th day of the 9th month of the 42nd year of Meiji (20th day of the 7th moon of the first year of Hsüan T'ung: *i.e.,* September 4, 1909).

"ART. 1.—The South Manchuria Railway Company (hereinafter referred to as the Company) agrees to pay to the Chinese Government a mining tax for the coal of the Fushun and Yentai mines (hereinafter referred to as the two mines), which shall be fixed at five per cent. of its value at the mouth of the mine, provided that as long as the output of coal is less than 3000 tons of coal per day the amount of the tax shall be computed by fixing the price at the mouth of the mine at one Kuping tael per ton, and when the output per day exceeds 3000 tons, at one yen (Japanese currency) per ton.

"ART. 2.—The Company agrees to pay to the Chinese maritime customs for the coal of the two mines exported from a point of maritime navigation an export tax which shall be computed at one-tenth of a Haikwan tael per ton, that is to say, at the rate of one mace silver.

"The export tax for coal of the two mines exported overland through Chosen or Russia shall be separately decided afterwards.

"ART. 3.—The tax to be paid mentioned in Article 2 shall apply to coal from the date of the agreement in regard to Manchurian affairs, which was entered into at Peking, that is to say the fourth day of the ninth month of the 42nd year of Meiji (20th day of the 7th moon of the first year of Hsüan T'ung). The Company shall pay to the Chinese Government a mining tax for coal mined subsequent to that date. The export tax which was paid in excess to the Chinese maritime customs from that day shall be refunded by the Chinese Government to the company at the rate of 2 mace per ton.

"With reference to the mining tax in future, the company shall pay to commissioners designated by the Chinese Government for collecting the taxes the amount for the preceding three months four times each year, that is to say in January, April, July and October of the Japanese calendar. The amount of the export tax shall be paid each month for the preceding month as soon as possible to the Chinese maritime customs.

"ART. 4.—In case coal from the two mines is loaded into a vessel for its own consumption, it shall be treated according to the usual rule of the maritime customs.

"ART. 5.—The Company need not pay a mining tax for coal for its own use, provided however, this amount shall be fixed at 700 tons per day.

"ART. 6.—In addition to taxes in accordance with Articles 1 and 2, there shall be no other taxes for the coal of the two mines such as the imposition of likin and other fees, but in case the taxes in respect to other coal are fixed at a rate lower than that for the two mines, the Company also shall have the right to have the taxes made equal.

"In lieu of the likin and other taxes mentioned in the foregoing paragraph, the Company shall pay to the Chinese Government yen 50,000 per annum in four instalments in the same manner as mentioned in paragraph 2 of Article 3.

"The Chinese authorities shall take steps to make it known generally in the various provinces that the coal has been freed from likin and other charges.

"ART. 7.—The boundaries of the two mines shall be in accordance with a map which shall be fixed after a conference of the commissioners of the two Governments.

"ART. 8.—The Chinese Government will agree not to allow anyone outside the company to prospect or mine within the boundaries of the two mines, and speedily to cancel permission which may already have been granted to anybody.

"ART. 9.—When there is anybody who mines coal or attempts to mine coal within the

borders of the two mines without the permission or consent of the Company, it shall report it to the Chinese authorities. In such an event the Chinese authorities shall strictly prohibit it.

"ART. 10.—The Chinese authorities will agree to afford sufficient facilities in mining, transportation of coal and the hiring of laborers.

"ART. 11.—In case the Company requires private land within the boundaries of the mines, which is necessary for mining purposes, or requires the extension of the railway, it shall be reported to the Chinese authorities, and a decision shall be reached after a mutual consultation.

"When the Company has finished mining it shall restore to the Chinese Government the land that was used for mining.

"ART. 12.—When the Company requires the removal of graves or houses within the land that it uses for mining, it shall confer with the owner and shall pay him a suitable fee for removal. In case any damage is done in these matters on account of mining, it shall agree to pay a suitable indemnity.

"ART. 13.—The Company shall agree to establish appropriate provisions for the control of laborers and for relief.

"ART. 14.—These detailed regulations shall be effective for sixty years from the date of their enforcement. If when this period is reached the mines are not exhausted, the period shall be extended.

"These detailed regulations shall be drawn up in Chinese and Japanese, four copies of each. After they have been signed and sealed by the commissioners of each country, the two Governments shall attest them by furnishing one copy in Japanese and one copy in Chinese apiece to the South Manchuria Railway Company and the Governor General of the Three Eastern Provinces.

"Meiji 44, 5th month, 12th day.

"Hsüan T'ung 3, 4th month, 14th day.

"CHOZO KOIKE,
Japanese Consul General (Seal)
"SHIMBO SAKAGUCHI,
Assistant Chief of the Fushun Mine (Seal)
"HAN KUO-CHÜN,
Chinese Commissioner for Foreign Affairs at Mukden (Seal)

"Hou Kuan Taotai Ch'i Ku-yi is to sign in a few days upon returning to China."

Note 3.

The following Agreement between the Chinese Government and Messrs. Okura & Company, the Japanese holders of the Penhsihu Mine, dated May 22, 1910, is given in *Collins*, p. 279:

Agreement for Penhsihu Coal Mining Company, Ltd., May 22, 1910.

1.—After this Agreement shall have been sanctioned by the Chinese Government the Penhsihu Coal Mining Enterprise will be registered as a Sino-Japanese Company. The Company will be called the Penhsihu Coal Mining Company, Limited, hereinafter referred to as "the Company." The Japanese firm is hereinafter referred to as "Messrs. Okura & Company."

2.—The Chinese Government has agreed on a valuation of the properties of the Penhsihu Mine at 350,000 dollars. After the signing of this contract the Company will hand over shares to the value of 350,000 dollars to the Chinese Government.

3.—The capital of the Company will be 2,000,000 Peiyang dollars. One-half will be subscribed by Chinese merchants, but in view of the fact that the Chinese Government has already 350,000 dollars invested in the mining properties only 650,000 dollars will be subscribed to complete the Chinese shares. Messrs. Okura & Company will be responsible for the subscription of the remaining 1,000,000 dollars. Interest on mine-shares and the cash-shares will begin to run on the day the Company starts operations in the former case and on the day cash is paid up in the latter case.

4.—The profits of the Company will be divided as follows:

(*a*) Profits up to 8 per cent. will be paid on the 2,000,000 dollars as interest. In case the profit is insufficient for payment of 8 per cent. a lower interest will be paid.

(*b*) After paying the 8 per cent. interest, any profits will be divided into ten equal parts, one of which is to be put aside as a reserve fund, 2½ parts will be paid to the Chinese Government as a contribution, and 6½ parts will be equally divided among the Chinese and Japanese shareholders. When the shareholders consider the reserve fund to be sufficient they may, by mutual agreement, cease

putting aside further sums to reserve. No interest is to be paid on the reserve fund.

5.—There will be two Directors-in-chief, one Chinese and the other Japanese. The rest of the posts on the staff will be equally divided amongst Chinese and Japanese by the mutual consent of the two Directors-in-chief. Any enterprise concerning engineering or financial matters must receive the sanction and signatures of the two Directors-in-chief before being put into execution. The Directors-in-chief must make reports to the Director-General on each occasion. All documents and accounts will be managed by qualified officials of the Company in the most up-to-date manner possible and kept in both the Chinese and Japanese languages so that each Director-in-chief may be able to examine the contents. All the Company's affairs will be controlled and directed by the two Directors-in-chief or their representatives under the Company's seal, and under the signatures of the two Directors-in-chief. Chinese dates will be used in book-keeping and the paying out of dividends.

6.—The Company will be considered formally constituted on the day the Chinese Government shall register it.

7.—After the formation of the Company, when it is considered necessary by the two Directors-in-chief to increase the capital or to contract loans, the shareholders will be consulted. Then the shareholders of each nationality will be responsible for half the amount. Loans may not be contracted from persons of any nationality other than Chinese and Japanese. The Company's properties will not be mortgaged unless there be urgent necessity for loans. The shareholders may not sell their shares without the Company's consent. Only Chinese workmen will be employed in the mines.

8.—The term of this agreement is thirty years, beginning on the day the Company is registered by the Chinese Government. At expiration of this Agreement the Company will enter into voluntary liquidation. The Chinese Government will then return the mine-share certificates to the Company and in return take back the mining area. The Company will as quickly as possible sell off its movable property, rails, mine-timbers and buildings at a fair price. The shareholders of each nationality will take one-half of the proceeds of sale and of the reserve fund. At this time all share certificates will be returned and cancelled unless by mutual consent this agreement is renewed. After expiration of this agreement, should the Chinese Government desire to carry on the undertaking by itself it can do so by taking back the mining area and paying adequate compensation for the movable property, rails, mine timbers and buildings.

9.—For every long ton of coal produced the Company will pay likin of .06 K'u p'ing tael of sycee silver and a tax of .10 K'u p'ing tael of sycee silver. For the mining area the Company will pay .2 K'u p'ing tael of sycee silver for each mow occupied. As export tax the Company shall pay .1 K'u p'ing tael of silver as customs duty. In case, however, the Chinese shall concede any lower rate of taxation to any Sino-Foreign company in the future, this Company may demand the same rate. When the new mining laws are promulgated by the Board of Agriculture, Industry and Commerce, the Government may, through the Governor of Manchuria, order the Company to alter this Agreement in order to comply with the new laws.

10.—All the materials needed and purchased by the Company will be exempted from likin, but must pay the usual taxes to the maritime customs.

11.—In consideration of the capital spent on the mine by Messrs. Okura & Company, in 1905 and 1909, the Company will take over all the property, including engines, buildings, construction and warehouse goods, etc., at a valuation of 1,000,000 dollars, which will be the Japanese capital. Messrs. Okura & Company will make a clear return of all the proceeds from sale of coal produced within that period. The Company will repay all the money spent by Messrs. Okura & Company, between the third moon and the formation of the Company, on new machinery, etc., and this machinery, etc., will be handed to the Company. Messrs. Okura & Company will hand in all proceeds from the sale of the coal produced within the period, and the coal at surface or in store will be handed to the Company without claim for any payment thereon.

12.—After the formation of the Company official surveyors will be despatched to make a surface survey of the concession, so as to fix its boundaries. The map will be sent to the Company as the official survey. If during the Company's mining operations any ancient objects of art be found these will be handed to the Chinese Government.

13.—Should the Company be in need of any land a fixed price will be paid as its rent. In case it be found necessary to pull down any buildings, or to remove any tombs, the case will be laid before the local official, who will notify the landowner of the fact, but the Company must pay fair compensation.

14.—After signing this agreement, the Director-General will, within three months, instruct a representative to draft a set of the Company's Regulations together with Messrs. Okura & Company, preparatory to the operation of the Company. This set of articles will be handed to the Director-General for perusal and for forwarding to the Governor.

15.—This Agreement will be drawn up in Chinese and Japanese. In case of dispute the Chinese version will be held to rule. There will be five copies of this Agreement: One

copy will be kept at the Governor's Yamen, one at the Bureau of Foreign Affairs, one by Messrs. Okura & Company, one at the Company's Office, and one at the Japanese Consulate.

Dated May 22, 1910.

Signatures:

HAN KUO CHUN,
Commissioner of Foreign Affairs.
HSIAO CHIH CHANG TSAO
Japanese Consul.
OKURA & COMPANY.

Note 4.

An agreement for the extension of the Peking-Mukden Line was signed at Mukden, September 2, 1911: the following is a translation from the Chinese text:

Agreement for Extension of Peking-Mukden Railway into Mukden, September 2, 1911.

"In the 5th clause of the agreement concluded in Peking between the Chinese and Japanese Governments on the 20th day of the 7th moon, 1st year of Hsuan T'ung, *i.e.*, the 4th day of September, 42nd year of Meiji (1909), the Mukden station of the Peking-Fengtien (*i.e.*, Mukden) Railway Administration is to be removed to a location near the city wall. Arrangements have now been made between the representatives of the two Powers as follows:

"1.—The Japanese Government agrees to order the South Manchuria Railway Company to raise an embankment and build a bridge over the extension of the Peking-Fengtien Line at the point of intersection of these two lines.

"The extended line will follow the red dotted lines on plan (No. 1). The proposed station must be built within one mile to the north of the Small West Convenient Gate.

"2.—The Chinese Government agrees to order the Peking-Fengtien Railway Administration to build a line between their proposed station at Fengtien and the present station of the South Manchuria Railway Company, in order that the two lines may make good connections and for the convenience of extending traffic.

"3.—The extension line and the connecting line are to be built according to the plan specified in the estimate. But the line provided for in Article 2, which is within the South Manchuria Railway Company's area, will be built and supervised by the South Manchuria Railway Company, while outside of the said area the connecting line will be built and supervised by the Peking-Fengtien Railway Administration.

"4.—The Japanese Government agrees to order the South Manchuria Railway Company to act in accordance with the plan (No. 2) to raise an embankment and build a bridge. This will necessitate the construction of a temporary track. The expenses thus incurred will amount to yen 24,000 and are to be paid by the Peking-Fengtien Railway Administration to the South Manchuria Railway Company when the construction is completed.

"5.—The construction specified in clauses three and four must be completed within three months from the date of the signing of the agreement.

"6.—Any of the trains of the Peking-Fengtien Railway arriving at Mukden (such as through and express trains), which make connections with the South Manchuria Railway Company's line, must first proceed to the South Manchuria Railway station and then to the City Wall station by the connecting line. Any trains leaving the City Wall station which connect with trains of the South Manchuria Railway Company will proceed to the South Manchuria Railway Company's station over the connecting line. This does not apply to special trains and freight trains which do not need to make connections with the trains of the South Manchuria Railway.

"7.—With regard to the operation of the connecting trains, together with signals, etc. the former agreement between the South Manchuria Railway Company and the Peking-Fengtien Railway Administration concerning the connecting service is to be adhered to. Any changes made in the future must be made by mutual agreement.

"8.—The former agreement concerning the connecting service between the South Manchuria Railway and the Peking-Fengtien Railway is in no wise affected by the present agreement. This agreement is drawn up in Japanese and Chinese in quadruplicate and held by the Ministry of Posts and Communications, Foreign Office of Mukden, Japanese Consulate General at Mukden, and the South Manchuria Railway Company.

"Signed on the 2nd day of September of the 44th year of Meiji (1911) by

"HSÜ T'ING LING,
"Commissioner for Foreign Affairs.
"HSUAN TO YÜ,
"Engineer of the Ministry of Posts and Communications.
"C. KOIKE,
"Japanese Consul General.
"HORIZO KORINOSKE."

NUMBER 1909/10.

JAPAN AND CHINA.

Agreement relating to the Chientao region.—September 4, 1909.*

The Imperial Government of Japan and the Imperial Government of China, desiring to secure for Chinese and Korean inhabitants in the frontier regions the blessings of permanent peace and tranquility, and considering it essential in the attainment of such desire that the two Governments should, in view of their relations of cordial friendship and good neighborhood, recognize the River Tumen as forming the boundary between China and Korea, and should adjust all matters relating thereto in a spirit of mutual accommodation, have agreed upon the following stipulations:

ART. 1.—The Governments of Japan and China declare that the River Tumen is recognized as forming the boundary between China and Korea and that in the region of the source of that river the boundary line shall start from the boundary monument and thence follow the course of the stream Shih-yishwei.

ART. 2.—The Government of China shall, as soon as possible after the signing of the present agreement, open the following places to the residence and trade of foreigners, and the Government of Japan may there establish consulates or branch offices of consulates. The date of the opening of such places shall be separately determined: Lungchingtsun; Chutszchie; Toutaokou; Paitsaokou.†

ART. 3.—The Government of China recognizes the residence of Korean subjects, as heretofore, on agricultural lands lying north of the River Tumen. The limits of the district for such residence are shown in the annexed map.

ART. 4.—The Korean subjects residing on agricultural lands within the mixed residence district to the north of the River Tumen shall submit to the laws of China, and shall be amenable to the jurisdiction of the Chinese local officials. Such Korean subjects shall be accorded by the Chinese authorities equal treatment with Chinese subjects, and similarly, in the matter of taxation and all other administrative measures, they shall be placed on equal footing with Chinese subjects. All cases, whether civil or criminal, relating to such Korean subjects shall be heard and decided by the Chinese authorities in accordance with the laws of China, and in a just and equitable manner. A Japanese consular officer or an official duly authorized by him shall be allowed freely to attend the court, and in the hearing of important cases concerning the lives of persons, previous notice is to be given to the Japanese consular officers. When-

* Translation from the Japanese text, as printed in *For. Rel.*, 1909, p. 119. Printed also in *Am. Int. Law Journal, Supplement*, 1910, p. 132. Translation from Chinese text printed in *Customs*, vol. II, p. 768.

See Note to this document, *post*, p. 797.

† The Chinese Government later fixed on November 2, 1909, as the date for the opening of all these ports.

ever the Japanese consular officers find that a decision has been given in disregard of law, they shall have right to apply to the Chinese authorities for a new trial to be conducted by officials specially selected in order to assure justice of the decision.

ART 5.—The Government of China engages that land and buildings owned by Korean subjects in the mixed residence district to the north of the River Tumen shall be fully protected equally with the properties of Chinese subjects. Ferries shall be established on the River Tumen at places properly chosen, and people on either side of the river shall be entirely at liberty to cross to the other side, it being, however, understood that persons carrying arms shall not be permitted to cross the frontier without previous official notice or passports. In respect to cereals produced in the mixed residence district, Korean subjects shall be permitted to export them out of the said district, except in time of scarcity, in which case such exportation may be prohibited. Collection of firewood and grass shall be dealt with in accordance with the practice hitherto followed.

ART. 6.—The Government of China shall undertake to extend the Kirin-Changchun Railway to the southern boundary of Yenchi, and to connect it at Hoiryong (Hueining) with a Korean railway, and such extension shall be effected upon the same terms as the Kirin-Changchun Railway. The date of commencing the work of the proposed extension shall be determined by the Government of China, considering the actual requirements of the situation, and upon consultation with the Government of Japan.

ART. 7.—The present agreement shall come into operation immediately upon its signature, and thereafter the Chientao branch office of the Residency General, as well as all civil and military officers attached thereto shall be withdrawn, as soon as possible, and within two months. The Government of Japan shall within two months hereafter establish its consulates at the places mentioned in Article 2.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed and sealed the present agreement in duplicate, in the Japanese and Chinese languages.

Note.

In connection with this agreement see also the detailed agreement for the Kirin-Ch'angch'un Railway Loan, August 18, 1909 (No. 1909/7 *ante*): Sino-Japanese treaty and Exchanges of notes respecting South Manchuria and Eastern Inner Mongolia, May 25, 1915 (No. 1915/8, *post*); and Kirin-Hueining Railway Loan Agreement of June 18, 1918 (No. 1918/9, *post*).

As an annex to this agreement, see the following Japanese law (No. 40) relating to adjudication by consular officers in Kanto (Chientao), dated April 5, 1910, as translated from the Japanese *Official Gazette* of April 6, 1910:

Japanese Law relating to Adjudication by Consular Officers in Chientao, April 5, 1910.

"ARTICLE 1.—The public trial of offences liable to capital punishment, or penal servitude for life or for a limited period of at least one year, or imprisonment, the preliminary examination of which has been conducted by consular officers stationed in Kanto, shall belong to the jurisdiction of the District Courts of the Residency General [*i.e.*, of Korea].

"ARTICLE 2.—The Minister for Foreign Affairs may, if he deems it necessary in connection with a criminal case belonging to the jurisdiction of consular officers stationed in Kanto, order the consular officer concerned to deliver the accused to a prison in Korea.

"ARTICLE 3.—In cases where, in accordance with the provisions of the preceding article, the accused is delivered to a prison in Korea, the Resident General shall, if the case belongs to the jurisdiction of the district courts, cause a public procurator of the Residency General Court of Appeal having jurisdiction over the locality where the prison to which the accused is delivered is located to apply to such court of appeal for the designation of jurisdiction; and, if the case belongs to the jurisdiction of the local courts, he shall cause a public procurator of the Residency General District Court having jurisdiction over the locality where the prison to which the accused is delivered is located, to apply to such district court for the designation of jurisdiction.

"In connection with the application and adjudication mentioned in the preceding paragraph, the provisions of Article 33 of the Code of criminal procedure shall be applied *mutatis mutandis*.

[Article 33 of Japanese Code of criminal procedure: "A person desirous of making a motion relative to the designation of the competent Court must declare his intention in writing to the Court competent to rule.

"The Court must decide the motion according to the documents."]

"ARTICLE 4.—Appeals from or protests against decisions rendered by consular officers stationed in Kanto in cases subject to the jurisdiction of a district court shall belong to the jurisdiction of a Court of Appeal of the Residency General.

"ARTICLE 5.—In the cases mentioned in Articles 1 and 4, the Residency General Courts to have jurisdiction shall be determined by the Resident General.

"Supplementary Clause.

"Lawsuits and non-contentious matters accepted prior to the enforcement of this law shall be dealt with according to previous practice."

NUMBER 1909/11.

FRANCE AND JAPAN.

Convention for the reciprocal protection of trademarks, patents, designs and copyrights in China.—September 14, 1909.*

The President of the French Republic and H. M. the Emperor of Japan, desirous to secure in China the mutual protection of inventions, designs, trademarks and copyrights of their respective citizens or subjects, have resolved to conclude a convention for that purpose and have named as their plenipotentiaries, that is to say:

The President of the French Republic:

M. Auguste Gerard, Ambassador of the French Republic to His Majesty the Emperor of Japan, and

His Majesty the Emperor of Japan:

M. le Comte Komura Jutaro, Minister of Foreign Affairs.

Who, after having communicated to each other their full powers, found to be in good and due form, have agreed upon the following articles:

ARTICLE I.—The inventions, designs and trademarks, duly patented or registered by the citizens or subjects of one High Contracting Party in the appropriate office of the other Contracting Party, shall have, in all parts of China, the same protection against every infringement by the citizens or subjects of

* Translation from the French text.

such other Contracting Party as in the dominions and possessions of such other Contracting Party.

ARTICLE II.—The citizens or subjects of each of the two High Contracting Parties shall enjoy in China the protection of copyright for their works of literature and art, as well as photographs, to the same extent as they are protected in the dominions and possessions of the other party.

ARTICLE III.—In case of infringement in China, by a citizen or subject of one of the two High Contracting Parties of any invention, design, or trademark whatsoever, or of the violation of copyright, entitled to protection in virtue of this convention, the aggrieved party shall have in the competent territorial or consular courts of such Contracting Party the same rights and remedies as citizens or subjects of such Contracting Party.

ARTICLE IV.—Each of the High Contracting Parties engages to extend to China the treatment which the citizens or subjects of the other Contracting Party enjoy, in the matter of protection of their commercial names, in the dominions and possessions of such Contracting Party under the Convention for the Protection of Industrial Property, signed at Paris, March 20, 1883. "Hong" marks shall be considered to be commercial names, as regards the effect of the present convention.

ARTICLE V.—Citizens of possessions belonging to the French Republic and subjects of Korea shall have, in China, the same treatment, under the present convention, as citizens of the French Republic and subjects of Japan respectively.

ARTICLE VI.—It is mutually agreed between the High Contracting Parties that the effect of the present convention shall be extended, in the measure in which it is applicable, to every other country where each of them shall have rights of extraterritorial jurisdiction. All the rights resulting from the present convention shall be recognized in the insular and other possessions and in the leased territories of the High Contracting Parties, and all the legal means provided for the protection of the said rights shall be duly applied by the competent tribunals.

ARTICLE VII.—Every person to whom the provisions of this convention are applicable, who, at the moment in which the present convention shall take effect, possesses merchandise bearing the imitation of a trademark owned by another person and entitled to protection by virtue of said convention, shall remove or cancel such false trademark or withdraw such merchandise from the Chinese market within a period of six months from the date of the enforcement of this convention.

ARTICLE VIII.—The unauthorized reproductions, made by the citizens or subjects of one of the High Contracting Parties, prior to the operation of this convention, of works of literature and art, as well as photographs, of the citizens or subjects of the other Contracting Party entitled to protection in virtue of this convention, shall be withdrawn from sale or circulation in China within one year from the date of the enforcement of this convention.

ARTICLE IX.—The present convention shall be ratified, and the ratifications thereof shall be exchanged at Tokio as soon as possible. It shall come into force ten days after the exchange of ratifications.

In witness whereof, the respective plenipotentiaries have signed the present convention in duplicate, in the French and Japanese languages, and have thereunto affixed their seals.

Done at Tokio, the 14th day of September in the nineteen hundred and ninth year of the Christian era, corresponding to the 14th day of the ninth month of the forty-second year of Meiji.

(L. S.) (Signed) A. GERARD.
(L. S.) (Signed) JUTARO KOMURA.

In proceeding to the signature of the convention of to-day's date relative to the reciprocal protection in China of inventions, designs, trademarks and copyrights the undersigned plenipotentiaries, duly authorized by their respective Governments, declare that it is understood that the first paragraph of Article VI of the said convention is not applicable to Korea.

Done at Tokio, the 14th September, 1909.

(Signed) A. GERARD.
(Signed) JUTARO KOMURA

NUMBER 1909/12.

GREAT BRITAIN (Pauling & Company), UNITED STATES (American Group) AND CHINA.

Preliminary agreement providing for the financing, construction and operation of the railway from Chinchou to Aigun.—October 2, 1909.*

This Preliminary Agreement to provide for the financing, construction and operation of the Railway from Chinchou to Aigun is made between their excellencies the viceroy of Manchuria and the governor of Fengtien, hereinafter called the administration, of the one part, and the American group and its associates (such associates to be admitted to participation with the full consent of, and to the extent,—not more than forty per cent of the whole,—to be determined by the Chinese Government), hereinafter called the banks, and Pauling & Co., hereinafter called the Contractors, of the other part:

Now it is hereby mutually agreed by and between the parties hereto as follows:

I.—The administration engages to borrow from the bank the sum necessary to construct the railway from Chinchou to Aigun. The rate of interest for this loan shall not exceed 5 per cent per annum, and the terms of issue, which shall be the most favorable obtainable, and the other details of procedure shall be arranged in a mutually satisfactory manner.

* Text as printed in *For. Rel.*, 1910, p. 232. See Note to this document, *post*, p. 802.

The payment of interest and amortization of this loan shall be guaranteed by the Imperial Chinese Government and the security therefor shall be the railway line.

Interest payments and amortization shall be met by the receipts of the railway or the proceeds of the loan, and if these be insufficient, by Manchurian revenues as may hereafter be selected by the administration and the bank in a manner to be mutually satisfactory.

The first bond issue shall be for the amount necessary for the construction and equipment of the railway between Chinchou and Tsitsihar. The second shall be for the construction and equipment of the railway between Tsitsihar and Aigun.

An equitable arrangement shall be made for the redemption of the bond issue by the board of communications prior to the expiration of their term.

II.—The administration agrees to contract with the contractors for the construction and equipment of this road. The contractors engage to build and equip the line using the best possible materials on the cheapest possible terms.

The detailed terms and conditions, etc., shall be arranged hereafter in a manner that shall be mutually satisfactory.

III.—On equal terms Chinese materials shall be given the preference. If however Chinese materials are not available recourse shall be had to other markets.

The administration shall be liable to the contractors only for the contract price of the railway and it is clearly understood that no commission shall be paid on the purchase of materials.

IV.—During the construction of this railway the appointment of the chief engineer shall be vested in Pauling & Co. but this appointment must be approved by the president of the railway company to be designated by the Imperial Chinese Government. The chief engineer shall be under the control of the Board of Communications and the Railway Company.

V.—As the work of construction is completed section by section the railway shall be operated, during the currency of the loan, by a company which shall be under the control of the board of communications. If after the payment of interest and amortization charges, and operating expenses, there be a surplus the railway company shall receive 10 per cent thereof.

VI.—The company shall be composed of Chinese, Americans and British as may be hereafter arranged, the Chinese to have a majority interest in the control, but under no circumstances shall persons of any other nationality than those herein mentioned have any voice in the management or control of the company without the full permission of the Imperial Chinese Government.

The company shall have as its president a high official appointed by the Imperial Chinese Government. The other details of organization shall be subsequently arranged in a mutually satisfactory manner.

VII.—This railway company is to be organized by Chinese, American and British interests. It is recognized however that this line is constructed in Chinese territory for commercial purposes and in case of war may be used only for the transportation of Chinese troops and munitions of war.

VIII.—This preliminary agreement is signed by their excellencies the viceroy

of Manchuria and the governor of Fengtien with the bank and the contractors subject to approval by imperial edict, without which it shall be null and void.

IX.—In case certain portions of this agreement are characterized as unacceptable by the imperial edict or in case the administration finds on further consideration that there are certain unsatisfactory provisions therein, these clauses, to which exception has been taken, shall be revised in the detailed agreements in a manner which shall be satisfactory to all parties.

X.—This agreement is executed in triplicate in English and Chinese, one set to be retained by their excellencies the viceroy of Manchuria and the governor of Fengtien, one set by the American group, and one set by Pauling & Co. In case there be any misunderstanding arising from a difference between the English and Chinese texts the matter shall be settled by a mutually satisfactory arrangement.

Signed at Mukden by the contracting parties this nineteenth day of the eighth moon of the first year of the Emperor Hsuan Tung, being the 2d day of October of the Year 1909 of the western calendar.

(Signed)
The Viceroy of Manchuria and the
Governor of Fengtien.

(Signed) For J. P. Morgan and Company,
Kuhn, Loeb and Company,
The First National Bank,
The National City Bank of New York,
Constituting the American Group,
Willard D. Straight,
Agent.

(Signed) For Pauling and Company,
french, *per W. D. S.*
Agent.

Note.

The imperial edict of approval, contemplated by Article VIII of the agreement, was issued on January 21, 1910, but no detailed agreement in pursuance of this preliminary agreement has yet been concluded.

For the protests made in behalf of other nationalities against this agreement, see *The Forum*, July, 1910, pp. 74-83.

In connection with this agreement, see the memorandum of agreement between the American group and Pauling & Co., as follows:

Memorandum of Agreement between the American Group and Pauling & Company, October 6, 1909.

In addition to the provisions of the Preliminary Agreement with Their Excellencies, the Viceroy of Manchuria and the Governor of Fengtien for the financing, construction, and subsequent operation of the Railway from Chinchou to Aigun to which the American Group as well as Pauling and Company are parties,

It is agreed as between the American Group and Pauling and Company that:

I.—Since it may be necessary for the American Group in making its financial arrangements with the Chinese Government to furnish funds on terms ensuring a margin of profit not commensurate with the risks involved, Pauling and Company will give the American Group not less than 2½ per cent. of the contract price for both sections of the railway referred to, such percentage to be paid on the completion of the entire road.

II.—At least one-half of the materials and equipment purchased in Europe and America shall be American.

III.—In view of the fact that upon completion the railway will be operated by a Company in which the American Group as well as Pauling and Company will be equally interested (unless otherwise arranged to the satisfaction of both parties), certain American engineers to be recommended by the American Group shall be employed by Pauling and Company during the period of construction.

IV.—All other details necessary to secure proper cooperation between the parties to this Agreement shall be arranged upon a mutually satisfactory basis.

V.—Any revision of the above stipulations, if such be found necessary, shall be made by mutual agreement.

Signed in duplicate at Peking this sixth day of October One Thousand Nine Hundred and Nine.

For J. P. Morgan and Company,
Kuhn, Loeb and Company,
The First National Bank,
The National City Bank of New York,
constituting the American Group,
(Signed) W. STRAIGHT.
Agent.
Subject to ratification by my principals.

For Pauling and Company,
(Signed) FFRENCH.
Agent.
Subject to ratification by my principals.

NUMBER 1910/1.

JAPAN AND RUSSIA.

Convention in regard to Manchuria.—July 4, 1910.*

The Imperial Government of Russia and the Imperial Government of Japan, sincerely attached to the principles established by the convention concluded between them July 17/30, 1907, and desiring to develop the results of that convention with a view to the consolidation of peace in the Far East, have agreed to complete the said arrangement by the following agreements:

ART. I.—For the purpose of facilitating the communications and developing the commerce of the nations, the two High Contracting Parties engage mutually to lend each other their friendly cooperation with a view to the improvement of their respective lines of railroad in Manchuria, and to the perfecting of the connecting service of the said railways, and to refrain from all competition unfavorable to the attainment of this result.

ART. II.—Each of the High Contracting Parties engages to maintain and to respect the *status quo* in Manchuria as it results from all the treaties, conventions or other arrangements hitherto concluded, either between Russia and Japan

* Translation from the official French text as printed in the Russian *Government Messenger* of July 1/14, 1910.
Other translations printed in *F. E. Review*, vol. VII, p. 89, and *Am. Int. Law Journal, Supplement*, 1910, p. 279.
See Note to this document, *post*, p. 804.

or between these two Powers and China. Copies of the aforesaid arrangements have been exchanged between Russia and Japan.

ART. III.—In case any event of such a nature as to menace the above-mentioned *status quo* should be brought about, the two High Contracting Parties will in each instance enter into communication with each other, for the purpose of agreeing upon the measures that they may judge it necessary to take for the maintenance of the said *status quo*.

In faith of which the undersigned, duly authorized by their respective Governments, have signed this convention and set their seals thereto.

Done at St. Petersburg, June 21 (July 4), 1910, corresponding to the 4th day of the 7th month of the forty-third year of Meiji.

(Signed) ISWOLSKY (L. S.)

(Signed) MOTONO (L. S.)

Note.

In connection with this convention, see the Treaty of peace between Japan and Russia, September 5, 1905 (No. 1905/8, *ante*), and the treaty between Japan and China, December 22, 1905 (No. 1905/18, *ante*): see also the Russo-Japanese political conventions of July 30, 1907 (No. 1907/11, *ante*), and July 3, 1916 (No. 1916/9, *post*).

The following is the translation (as printed in *Am. Int. Law Journal, Supplement*, 1910, p. 279) of the note addressed by the Chinese Government to the several Powers in reference to this convention, under date of July 21, 1910:

"The Imperial Government having carefully perused the new Russo-Japanese Convention, concluded on July 4, 1910, copies of which were handed to the Wai-wu-pu by the Russian and Japanese Ministers, the following acknowledgment, dated July 21, has been sent to them:

"'Since the convention expressly states that each of the high contracting parties engage to respect and maintain the treaties, conventions, and other arrangements concluded between China and Japan, between China and Russia, and between Japan and Russia, it therefore accords with and confirms the principles of the engagements made between Japan and Russia by the Treaty of Peace in 1905, and those of the Treaty and Agreement made between China and Japan relating to matters in the three eastern provinces. For by Article 3 of the Russo-Japanese Treaty of Peace, Russia and Japan mutually engage to restore entirely and completely to the exclusive administration of China all portions of Manchuria, and declare that the Imperial Governments have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty, or inconsistent with the principle of equal opportunity; and by Article 4 Japan and Russia reciprocally engage not to obstruct any general measures common to all countries which China may take for the development of the commerce and industry of Manchuria. In the same year Japan and China named their plenipotentiaries, and agreed upon and concluded Articles at Peking, based upon the Treaty of Peace concluded at Portsmouth, and relating to matters in the three Manchurian provinces, whereby the opening of Manchuria becomes an accomplished fact.

"'The Imperial Government will therefore in the future act in accordance with the principles declared in the Russo-Japanese Treaty of Peace, and execute the provisions of the Treaty and Agreement with Japan, maintaining with increased efforts such matters as measures arising from the exercise of China's rights of sovereignty, the principle of equal opportunity, and the development of the commercial and industrial prosperity of the three Manchurian provinces, with a view to the promotion of the best interests of all parties.'

"A copy of the above acknowledgment has been presented to the governments of all the countries with which China enjoys treaty and diplomatic relations."

NUMBER 1910/2.

BELGIUM (Banque Sino-Belge), FRANCE (Banque de l'Indo-Chine), GERMANY (Deutsch-Asiatische Bank), GREAT BRITAIN (Chartered Bank of India, Australia and China, and Hongkong and Shanghai Banking Corporation), JAPAN (Yokohama Specie Bank), RUSSIA (Russo-Chinese Bank), THE NETHERLANDS (Netherlands Trading Society), THE UNITED STATES (International Banking Corporation) AND CHINA.

Agreement for a loan of taels 3,500,000 to the Shanghai Taotai.—August 4, 1910.

This agreement made between His Honour Tsai Nai-Hwang Taotai of Shanghai for himself and his successors hereinafter called the Taotai of the one part and the

Hongkong & Shanghai Banking Corporation,
Chartered Bank of India, Australia & China,
Deutsch-Asiatische Bank,
Russo-Chinese Bank,
Yokohama Specie Bank,
Banque de l'Indo-Chine,
International Banking Corporation,
Netherlands Trading Society,
Banque Sino-Belge,

hereinafter called the Banks of the other part,

WITNESSETH AS FOLLOWS:

1.—The Banks agree to lend to the Taotai and the Taotai contracts to borrow from the Banks the sum of Tls. 3,500,000 Shanghai Sycee (Taels Three million Five Hundred Thousand Shanghai Sycee) payment and repayment of the same to be made in Shanghai in Taels of Shanghai Sycee. The proceeds of the Loan will be applied in the first place to the payment of Native Bank Orders in the hands of the Banks issued by the Cheng Yuan, Chien Yü and Chao Kang Banks totalling Tls. 1,399,529.41 as per list handed to the Chinese Chamber of Commerce and later checked and adjusted by Messrs. Shao Gin Tow and J. C. Ferguson on behalf of the Taotai, and in the second place to ensure the prompt payment by the above named Native Banks and other Native Banks of dishonoured Native Orders still in the hands of the Banks or foreign firms, and further, to render assistance to the Native money market in order to restore confidence generally.

2.—His Excellency Chang Ren-tsing, Viceroy of the Liang Kiang at Nanking, has reported in a Memorial to the Throne the Taotai's proposals to borrow the above sum of Tls. 3,500,000 from the Banks and the purpose for which the money is to be used. An Imperial Edict sanctioning His Honour the Taotai's proposals has been communicated by the Wai Wu Pu to the Legations concerned.

3.—The above sum of Tls. 3,500,000 is lent by the Banks in the following proportions:—

Hongkong & Shanghai Banking Corporation ..... Tls. 8 lacs,
Chartered Bank of India, Australia & China ..... Tls. 5 lacs,
Deutsch-Asiatische Bank ..... Tls. 5 lacs,
Russo-Chinese Bank ..... Tls. 4 lacs,
Yokohama Specie Bank ..... Tls. 3 lacs,
Banque de l'Indo-Chine ..... Tls. 3 lacs,
International Banking Corporation ..... Tls. 3 lacs,
Netherlands Trading Society ..... Tls. 2½ lacs,
Banque Sino-Belge ..... Tls. 1½ lacs.

4.—The Taotai shall hand to the Banks not later than ten days after date of this Agreement, Bonds in Shanghai Taels of the total amount of the Loan, viz:— Shanghai Tls. 3,500,000.—sealed with the Official Seal of the Taotai, as evidence that he and his successors are bound thereby. The form and amount of the Bonds shall be settled by the Banks in consultation with the Taotai.

5.—In view of this money being lent by the Banks in the interests of the trade of Shanghai the Banks have fixed the rate of interest at 4% per annum to be payable half yearly from the date of this agreement. The principal shall be repaid in four weekly instalments in 1915 as follows:—

Tls. 875,000 on or before the 14th July, 1915
Tls. 875,000 on or before the 21st July, 1915
Tls. 875,000 on or before the 28th July, 1915
Tls. 875,000 on or before the 4th August, 1915

completing full repayment on the 4th August, 1915.

Bonds for the amount repaid shall be returned to the Taotai for cancellation.

Interest on above instalments will be allowed for at the rate of 4% per annum.

6.—The Taotai of Shanghai for himself and his successors hereby unconditionally guarantees and declares himself responsible for the due repayment of the principal and payment of interest on this Loan.

7.—Twenty-one copies of this Agreement are executed in English and Chinese, one copy to be retained by the Viceroy, one by the Governor at Soochow, one by the Wai Wu Pu, one by the Taotai, nine by the Banks, and eight by the Legations concerned.

In the event of any question arising as to the meaning of this contract the English text shall rule.

Signed at Shanghai by the contracting parties this Twenty-ninth Day of the Sixth Month of the Second Year of the Emperor Hsuan Tung being the Fourth Day of August Nineteen Hundred and Ten Western Calendar.

[*Here follow signatures in behalf of the Banks*]

[*Chinese Seal*]

NUMBER 1910/3.

RUSSIA AND CHINA.

Memorandum of agreement concerning the provisional Sungari River trade Regulations, the provisional regulations of the Harbin River customs, the Sansing customs, and the Lahasusu customs barrier.—August 8, 1910.*

According to the terms of the 18th Article of the Russo-Chinese treaty of the 7th year of Kuang Hsü (1881)† the Chinese Board of Foreign Affairs and the Russian Legation at Peking have mutually agreed upon the following memorandum:

ARTICLE I.—The provisional regulations ‡ relating to the inspection of vessels navigating the Sungari River and of goods imported and exported, which are attached to this memorandum, are hereby approved and copies of the same have been drawn up in Chinese, Russian, and English, and signed by duly authorized Chinese and Russian officials who attest their accuracy. If any doubt should in future arise as to their accuracy the English text will be taken as authoritative. (NOTE: Whenever allusion is made in the regulations to the Chinese boundary or to the Russian boundary (zone of) one hundred *li* or fifty versts, this shall be understood to refer to the boundary between the Chinese and Russian Empires.)

ARTICLE II.—Within three weeks after the signing of this memorandum the regulations referred to in Article I shall be published and put into operation by the Harbin commissioner of customs.

ARTICLE III.—During the time when the said regulations are in force if any additions or alterations are to be made, and if special rules have to be published

* Translation from the Chinese text. Another translation is printed in *Customs*, vol. I, p. 280. The English text of the provisional regulations, annexed to the agreement, is that of the Harbin customs notification of August 23, 1910 (reprinted in *Customs*, vol. I, p. 282), which also gives the Chinese and Russian texts. A Russian text is also printed in *Soglashenia*, p. 102.

In connection with this agreement, see also the experimental regulations for the establishment of customs houses in Manchuria, July 8, 1907 (No. 1907/10, *ante*).

† For the text of the St. Petersburg treaty of 1881, see *Customs*, vol. I, p. 168, or *Hertslet*, p. 483.

‡ The regulations thus agreed upon were published in a Customs notification (No. 18) issued by the commissioner of customs at Harbin on August 23, 1910, and became effective August 29, 1910, in substitution for those which had been in force since July 1, 1909, in accordance with the Customs notification (No. 5) issued on June 26, 1909.

By a notification (No. 73) of May 19, 1914, the commissioner at Harbin gave notice, "in accordance with instructions received from the Inspector General of customs, that the said Provisional Regulations will continue in force until the question of their revision shall have been settled by the Governments of China and Russia. From the 7th August next, however, they will be modified to the extent required by the abolition of the Russo-Chinese frontier Free Zone." The commissioner had under date of May 6, 1914 (No. 72), given notice that "the Chinese Government also has now decided on the abolition of the Free Zone. . . . . Accordingly, all goods sent from China to places in the former Russian Free Zone, as well as all goods imported from Russia to places in the former Chinese Free Zone, will be liable to Customs Duty and treated in the same way as ordinary Exports and Imports. . . ."

In further reference to the abolition of the free zone, see Note 2 (on page 650) to the Experimental Regulations for the establishment of customs houses in Northern Manchuria, July 8, 1907 (No. 1907/10, *ante*).

whether new or extended to apply to the Sungari River, China and Russia will take action after mutual consultation.

ARTICLE IV.—As the Chinese customs station will be established at the port of Harbin within the territory of the Chinese Eastern Railway it is mutually agreed that if in future there shall be important matters requiring mutual consultation no precedent shall be established (for other localities).

ARTICLE V.—All materials required for construction and maintenance by the Chinese Eastern Railway shall be passed free of duty by all customs offices on the Sungari River. The articles required for the railway guards shall be included in the above.

ARTICLE VI.—If foodstuffs are shipped in boats by the Sungari River to Harbin for direct export to foreign countries whether in bags or loose, whether transferred directly from the boats to the railway cars or temporarily stored at the Chinese customs house, or in the warehouses under the control of the Chinese Eastern Railway, or in warehouses under the control of the Chinese customs, when these goods pass the branch customs stations of Man-chou-li or Sui-fen-ho, they shall be exempt from a second payment of export duty. The exact method of procedure shall be agreed upon between the commissioner of customs at Harbin and the Chinese Eastern Railway Administration within the present year. All foodstuffs from the river directly exported without storing in warehouses will pay the proper export duty either at Man-chou-li or at the Sui-fen-ho branch customs station. But if after the arrival of the goods at Harbin, they are stored at the customs station, or in the warehouses conrolled by the Chinese customs, or in the warehouses controlled by the Chinese Eastern Railway, they shall pay duties on being landed at the Port of Harbin. On all goods from the Sungari region having through bills of lading for exportation at Man-chou-li or Sui-fen-ho any excess export duty shall be returned according to the regulations in force at Man-chou-li and Sui-fen-ho, regardless of whether the goods have or have not been detained at Harbin. But it is noted that up to the present there have been no such goods and therefore it is proper to wait for further investigation of the facts. If there are any such goods, the commissioner of customs and the Chinese Eastern Railway administration will determine the method of procedure.

ARTICLE VII.—All the goods specified in Article 14 of the Regulations for the land Traffic, appended to the St. Petersburg treaty of 1881 shall be exempt from the payment of duty at the customs stations of the Sungari River in accordance with the provisional regulations in force at Man-chou-li and Sui-fen-ho.

ARTICLE VIII.—Up to the end of the present term for navigation tonnage dues shall be collected as before. From the time when the monthly tonnage statements for the use of the shipping during the present period are issued the tax shall be determined by the customs commissioner of Harbin in consultation with the chairman of the Chinese Eastern Railway Steamer Company. The total amount fixed must not be more than one-fourth greater than the actual tonnage receipts in the period commencing with the 14th day of the 5th moon of the 1st year of Hsuan-t'ung, which is June 18, 1909, Russian calendar (*i. e.*,

June 31), and extending to the 24th day of the fifth moon of the 2nd year of Hsüan-t'ung, Russian calendar, June 17 (*i.e.*, June 30), 1910.

ARTICLE IX.—During the period in which these regulations are in force all foodstuffs transported on the Sungari River shall be exempt from the provisions relating to security and guaranty.

ARTICLE X.—From the establishment of any customs station on the Sungari River to Hsüan-t'ung 2nd year fourth moon, fourth day (Russian calendar April 29, 1910, *i. e.*, May 12) all accounts for duties and tonnage collected or not collected shall be closed, but from that time until these regulations are published if any taxes are in excess or under those prescribed in the new regulations the owner of the goods may report to the Customs. From the date of returning the original customs receipts, within three weeks the amounts due shall be returned. (The Customs) shall be asked to limit the time for receiving the petitions regarding the return of excess taxes to the 27th day of the 11th moon (Russian calendar December 15, *i.e.*, Dec. 28). The receipts mentioned in the petitions must be dated between the fourth day of the fourth moon of this year (April 29/May 12) and the sixth day of the sixth moon (June 18/31). All extra funds must be temporarily deposited in the Russo-Chinese Bank and after the new regulations come into force these funds must be turned over to the Maritime Customs.

ARTICLE XI.—Russian vessels may use Russian statements of tonnage and goods which will be received by the River Customs, but such statements must be in the form prescribed by the River Customs.

The above memorandum has been drawn up at Peking in Chinese and Russian in duplicate and the copies compared and verified.

Date: Hsüan-t'ung, 2nd year, 7th moon, 4th day.

(July 26/August 8, 1910.)

ANNEX.

[Provisional Customs Regulations for Control of Vessels' Movements, Import and Export of Goods on the Sungari River.]

PART I.

GENERAL RULES.

1.—Vessels which have the right of navigation and trade on the Sungari River are subject to the following Regulations.

2.—Customs Officers will board vessels entering, and inspect them after clearance outwards; they may claim access to any part of the vessel at any time during her stay in port.

3.—All vessels must in port anchor at places assigned by the Customs of the port concerned upon their entry within its limits where all formalities of entry will be attended to with despatch.

4.—Neither cargo nor passengers may be landed or shipped before permission has been given by the Customs. Cargo landed or shipped without such permission is liable to confiscation.

5.—Manifests as well as Customs covers must be presented to the Customs on arrival. A special Manifest must be handed in to the Lahasusu Customs Barrier by all vessels entering from, or leaving for, the Amoor. It must specify all cargo on board and give place of shipment and intended destination of all goods inwards and outwards.

6.—Manifests must contain a true and full account of all cargo on board, including duty-free goods, giving marks, numbers and contents and must be signed by the Master or the responsible agent of the vessel concerned who will be held responsible for their correctness.

7.—Shut-out goods will be recognized as duty-paid goods only on the condition that they be presented immediately for re-examination.

8.—Vessels must produce their papers for inspection when called upon by any Imperial Chinese Maritime Customs or Inland Barrier Official acting on behalf of the Imperial Chinese Maritime Customs boarding them at the ports or *en route*.

9.—Customs employees may be put on board of vessels to search them or to accompany them for the purpose of surveillance.

10.—At the option of the Captain or the responsible agent of the vessel the Customs may seal the hatches of the vessels; such seals must not be broken until the vessel reaches a port where she has to work cargo and until the necessary permission has been obtained. The breaking of seals or opening of sealed hatches with fradulent intentions will entail liability to a fine not exceeding Hk. Tls. 500.

11.—For working cargo or passengers on Sundays or holidays as well as on week days out of the regular working hours—6 a. m. to 6 p. m.—Special Permit Fees must be paid. These Fees will be collected according to the Table appended hereto.

12.—Masters of vessels are expected to report to the Customs any changes in the channel, accidents to shipping, loss of guiding marks, wrecks and other noteworthy events.

13.—Trade in the following articles, viz.: gunpowder and other explosives, shot, cannon, fowling pieces, rifles, muskets, pistols, saltpetre, sulphur, spelter and all other munitions and implements of war and sport and salt is prohibited on the Sungari; arms found on board, not covered by certificates showing them to be for self-defence or ship's use, will be confiscated. The export abroad of rice, husked and unhusked, and Chinese copper cash and coins is also prohibited. The importation of foreign copper coin blanks, copper coins, and copper cash is likewise forbidden.

14.—Infraction of Customs Rules and Regulations will render the vessel liable to the infliction of fines not exceeding Hk. Tls. 500.

The Russian vessel subjected to a fine has the right to pay the fine to the Customs under protest and petition against it to the Russian Consul.

In case of the non-payment by a vessel of a fine imposed on her by the

Customs, as well as in cases of repetition of a breach of Customs Rules and Regulations by the same vessel, making the infliction of the maximum fine of Hk. Tls. 500 necessary, or in the event of it being necessary to inflict a heavier penalty, the Chinese Customs addresses, whenever Russian subjects are concerned, the Russian Consul for further treatment of the case.

The present Regulations are to be considered as provisional and will be in force for a period of three years.

Part II.

DUES AND DUTIES.

1.—The Imperial Maritime Customs on the River Sungari collect on goods carried by vessels exclusively Customs levies and do not levy any Inland or other duties or taxes. They also collect Transit Dues and River Dues.

All local taxes, when such are due, will be levied on cargoes before their loading into, or after their discharge from, vessels in order to avoid detention of the latter.

2.—For the present, and until further notice, the existing general system of Tonnage Dues will not be enforced and a system of River Dues will be introduced instead, calculated according to the nature and quantity of cargo and the distance over which it is carried, *vide* the appended Table.

3.—Import and Export duties are leviable according to the existing Tariffs of the Chinese Maritime Customs. (General Tariff of 1858 and the Revised Import Tariff of 1902).

Transit Dues on foreign goods are leviable at one half of the rates enumerated in the above-mentioned Revised Import Tariff of 1902.

Goods unenumerated in the Tariffs, whether Imports or Exports, pay 5% ad valorem.

4.—Imports from Russian Ports.—On goods coming from Russian ports import duties are leviable in accordance with Art. 3 of Part II when these goods are destined for places beyond the limits of the 100-li (50-versts) Zone.

Goods, however, imported into the limits of this Zone are not subject to any duty.

Transit Dues are leviable on duty-free goods at the rate of 2½% ad valorem, and on dutiable goods—at one half of the rates of the existing tariffs.

5.—Native Goods.—All Native goods will pay one full Treaty Export duty on their first passing an Imperial Chinese Maritime Custom House at Harbin, Sansing, Lahasusu or any other place on the Sungari River where revenue considerations or trade conditions may warrant the establishment of an Imperial Maritime Customs Office.

The present stipulation does not apply to the following grain products, viz.: Barley, Buckwheat, Buckwheat grit, Kaoliang, Maize, Millet (hsiao mitzu), Oats and Wheat, as well as to Beans and Beancakes, brought by water to Harbin, which goods will provisionally pay the general Treaty Export duty reduced by one-third.

Native goods loaded on vessels on the Sungari River and having for their destination one of the places within the limits of the Russian 100-li (50-versts) frontier Zone are exempted from payment of Export Duty.

Suitable documents will be issued to ensure the exemption of duty-paid goods from a second levy of duty at another Imperial Maritime Customs Office.

Exemption from a second levy of Export duty will also be granted to cargo exported via the Stations Manchuria and Suifenho (Pogranitchnaya).

The Outward Transit Pass system remains unaffected by the above.

The above commutation general Export duty, once paid, will in no case be refunded.

6.—Documents in proof of payment of duties and dues are issued on the lines of the general rules in force at the Treaty ports of China; cargo from one Trade Mart to another which is not covered by these documents is liable to confiscation.

7.—Dues and duties are payable on imports before goods are removed from Customs supervision, on Exports before shipment.

8.—Re-export and goods under Transit Certificates are entitled to same Customs treatment as at the Treaty Ports of China.

9.—Before goods can be shipped, application must be made to the Customs, who, after examination of them, will collect duty and issue Permit to ship.

10.—For presenting a false Manifest the master or the responsible agent of a vessel will subject himself to a fine not exceeding Hk. Tls. 500.

All unmanifested or contraband goods found on searching a vessel will be dealt with according to Treaties or, in certain cases, also according to the practice of other ports in China.

For all manifested inward items of cargo found short on board, their respective duties must be paid.

Harbin River Customs Provisional Regulations.

Inward bound vessels for Harbin must, on entering the port, present a Manifest of all cargo on board together with all documents received in closed covers from the Sansing and/or Lahasusu Customs, as well as a Memorandum stating places visited *en route*, passengers and/or cargo discharged and/or shipped at these places.

Outward bound vessels, when wishing to clear, must present a Manifest giving full particulars of all cargo on board, Nos. of Shipping Orders, marks and number of packages, description of goods, etc.,—separate statements for each place of destination. This Manifest will be checked with Customs documents and, if all in order, the vessel will be allowed to leave.

Duty paid cargo for open Trade Marts will be covered by Cargo Certificates and Certificates proving payment of duty which will be handed to the Captain or the responsible agent of the vessel in sealed cover for delivery to the Customs at the place of destination.

Vessels passing Customs examination stations without stopping, or stopping at places other than those prescribed by the Customs, will be liable to the penalties laid down in Art. 14 of Part I of the Regulations.

Sansing Customs Provisional Regulations.

Inward bound vessels coming from the Amoor must on entering the port present to the Customs the Manifest received in closed cover from the Lahasusu Customs Barrier. If a vessel has called at places between Lahasusu and Sansing, an additional Statement as to passengers and/or cargo discharged and/or shipped at such places must be handed in.

When the vessel is ready to proceed up river the Manifest—of original cargo, and of cargo newly shipped at Sansing—for Harbin must be handed to the Captain in a sealed cover for delivery to the River Customs at Harbin.

Outward bound vessels from Harbin must on entering the port hand in Cargo Certificates covers, and a Manifest of all cargo on board, separate statements for each place of destination, with an additional Memorandum giving Inland places called at *en route,* cargo and/or passengers shipped and/or landed at these places.

When a vessel is ready to proceed down river, a Manifest, giving so and so many packages original cargo on board and additional statement of cargo taken on board at Sansing, must be handed in. If, after Customs documents have been checked, all is found in order, the vessel is at liberty to leave.

Vessels passing Customs examination stations without stopping, or stopping at places other than those prescribed by the Customs, will be liable to the penalties laid down in Art. 14 of Part I of the Regulations.

Lahasusu Customs Barrier Provisional Regulations.

Inward bound vessels coming from the Amoor must on entering the port produce Manifests (in duplicate) giving full particulars, marks and numbers of packages, etc., of all cargo on board,—separate statements for each place of destination and shipment. After Manifest has been checked with the cargo, one copy is retained for the archives, whilst the other, with any remarks that may be called for, will be signed and sealed by the Lahasusu Office and handed in a closed cover to the Captain or the responsible agent of the vessel for delivery at the next Customs station.

Outward bound vessels proceeding to the Amoor must stop for examination. A Manifest must be handed in stating particulars of all cargo on board, showing also cargo and/or passengers shipped and/or discharged *en route.* Failure to observe this rule will render the vessel liable to a fine.

Vessels passing Customs examination stations without stopping, or stopping at places other than those prescribed by the Customs, will be liable to the penalties laid down in Art. 14 of Part I of the Regulations.

NUMBER 1910/4.

GERMANY (Deutsch-Asiatische Bank), GREAT BRITAIN (Chinese Central Railways, Limited) AND CHINA.

Supplementary loan agreement for the Tientsin-Pukow Railway.— September 28, 1910.*

WHEREAS by an agreement made at Peking on the 10th day of the 12th month of the 33rd year of Kuang Hsu corresponding to the 13th day of January 1908,† between

HIS EXCELLENCY LIANG TUN YEN, Acting Junior Vice-President of the Waiwupu, duly authorised to act on behalf of the Imperial Government of China, of the one part, and,

A. THE DEUTSCH ASIATISCHE BANK, SHANGHAI,

B. THE CHINESE CENTRAL RAILWAYS LIMITED, LONDON, thereinafter termed the Syndicate, of the other part,

the Syndicate were authorised to issue, and did issue, a 5% Gold Loan for £5,000,000 for the construction and equipment of a line of railway from Tientsin to Pukow in the Empire of China: and WHEREAS, in order to permit of the uninterrupted continuance of the work of construction provision was made in Article 15 of the aforesaid Loan Agreement, hereinafter called the Original Loan Agreement, for the issue by the Syndicate of a Supplementary Loan of which the interest and other conditions as well as the price payable to the Chinese Government should be governed by the terms of the original loan agreement which still remains in full force and effect;

This Agreement is now made at Peking this twenty fifth day of the eighth month of the second year of Hsuan Tung, corresponding to the twenty eighth day of September 1910, between

The Director General and Assistant Director General of the Tientsin-Pukow Railway, Their Excellencies The Grand Councillor and Assistant Grand Secretary Hsu Shih Chang, and the Acting President and Senior Vice-President of the Board of Posts and Communications Shen Yün Pei, duly authorised to act on behalf of the Imperial Government of China, of the one part, and

A. THE DEUTSCH ASIATISCHE BANK, SHANGHAI,

B. THE CHINESE CENTRAL RAILWAYS LIMITED, LONDON, hereinafter called the Syndicate of the other part.

ARTICLE 1.—The Imperial Government of China authorises the Syndicate to issue a 5% Gold Loan for an amount of four million eight hundred thousand pounds sterling (£4,800,000). The Loan shall be of the date on which the first

* Text as printed in *Wang*, p. 421.
With the text as there given are also printed the letters of agreement in regard to advances given in the Note to this document, *post*, p. 824.
† No. 1908/1, ante.

series of bonds is issued to the public and shall be called "The Imperial Chinese Government 5% Tientsin-Pukow Railway Supplementary Loan."

ARTICLE 2.—The Loan is designed to provide further capital for the construction of a Government Railway line from a point connecting the Imperial Railways of North-China at or near Tientsin through Techow and Tsinanfu to Ihsien near the Southern frontier of Shantung, hereinafter known as the Northern Section of the Tientsin-Pukow Railway line, and from Ihsien to a point at or near Pukow (opposite Nanking on the Yangtsze Kiang), hereinafter known as the Southern Section of the Tientsin-Pukow Railway line, the total length of these two sections being about 1,085 kilometers, equal to about 2,170 Chinese li.

ARTICLE 3.—The capital so provided shall be solely devoted to the construction of the Railway line including the purchase of land, rolling stock and other equipment, and to the working of the line and to the payment of interest on the loan during the period of construction, which is estimated at 2 years from the signature of this agreement.

ARTICLE 4.—The rate of interest for the loan shall be 5% per annum on the nominal principal and shall be paid to the bondholders half-yearly. The said interest shall be calculated from the date on which the loan is issued to the public, and shall be paid by the Imperial Chinese Government during the time of construction either from the proceeds of the loan or from other sources, and afterwards, in the first place, out of the revenue of the Railway, and then from such other revenues as the Chinese Government may think fit to use for the purpose in half-yearly instalments according to the amounts specified in the schedule attached to this agreement and fourteen (14) days before their due dates, Western Calendar, as calculated half-yearly from the date on which the loan is issued to the public.

ARTICLE 5.—The term of the loan shall be thirty (30) years. Repayment of principal shall commence after the expiry of ten (10) years from the date of the loan, and, except as provided in Article 6 hereinafter, shall be made by yearly amortisation to the Deutsch Asiatische Bank and the Hongkong and Shanghai Banking Corporation out of the revenue of the line or such other revenues as the Chinese Government may think fit to use for the purpose, according to the amounts specified in the schedule attached to this agreement, but fourteen (14) days before their due dates, Western Calendar, as calculated from the date on which the loan is issued to the public.

ARTICLE 6.—If at any time after the lapse of the ten (10) years from the date of the loan the Imperial Chinese Government should desire to redeem the whole outstanding amount of the loan, or any part of it, not yet due for repayment in accordance with the schedule of repayments hereto attached, it may do so until the twentieth (20th) year, by payment of a premium of two and one-half (2½%) per cent on the face value of the bonds (that is to say by payment of a hundred and two pounds and ten shillings (£102.10) for each £100 bond) and after the twentieth (20th) year without premium; but in each and every case of such extra redemption, the Imperial Chinese Government shall give six (6) months notice in writing to the Syndicate, and such redemption shall be effected by additional

drawings of bonds, to take place on the date of an ordinary drawing, as provided for in the Prospectus of the Loan.

ARTICLE 7.—The Deutsch Asiatische Bank and the Hongkong and Shanghai Banking Corporation having been appointed, by the German and British parties of the Syndicate, respectively, Agents for the service of the loan the payments due for amortisation and interest referred to in Articles 4 and 5, shall be made, in accordance with the amounts of the Schedule attached to this agreement, and fourteen (14) days before their due dates as fixed by Articles 4 and 5 to these Banks by the Director General of the Railway, who shall hand to the said Banks in Shanghai or in Tientsin fourteen (14) days before the said due dates, funds in Shanghai or Tientsin Sycee sufficient to meet such payments in Gold in Europe, *exchange for which shall be settled with the said Banks on the same day,* the Railway Administration having, however, the option of settling exchange with the two Banks at any date or dates within six (6) months previous to any due date for the repayment of interest and principal. These payments may, however, be made in Gold if the Imperial Chinese Government should happen to have Gold funds "bona fide" at their disposal in Europe not remitted from China for the purpose and desire so to use them.

In reimbursement of expenses connected with the payment of interest and the repayment of principal of the loan, the Hongkong and Shanghai Banking Corporation and the Deutsch Asiatische Bank will receive a commission of one-quarter (¼) per cent. on the annual loan service.

ARTICLE 8.—The Imperial Government of China hereby engages that the interest and principal of this loan shall duly be paid in full, and should the revenue of the Railway and/or the proceeds of the loan not be sufficient to provide for the due and full payment of the Interest and repayment of principal, the Director General shall memorialise the Throne and the Imperial Government of China will thereupon make arrangements to ensure that the amount of deficiency shall be met from other sources and handed over to the Banks on the date upon which funds are required, to complete full payment of interest and repayment of principal.

ARTICLE 9.—The loan is hereby secured:—

1. By a second charge on the likin and internal revenues of the three provinces enumerated in Article 9 of the Original Tientsin-Pukow Railway Loan Agreement amounting to Haikuan Taels 3,800,000 a year, after satisfaction of all the obligations contained in the said Article.

2. By a first charge on the following additional revenues, calculated on the basis of the maximum annual payments of principal and interest due:—

A. Likin and internal revenues of the Province of Chihli to the amount of Haikuan Tls. 1,000,000 a year;

B. Likin and internal revenues of the Province of Shantung to the amount of Haikuan Tls. 1,200,000 a year;

C. Revenue of the Nanking Likin Collectorate (to the amount of Haikuan Tls. 600,000 a year) and of the Huai-an Native Customs (to the amount of Haikuan Tls. 100,000 a year) in the Province of Kiangsu;

D. Likin and internal revenues of the Province of Anhui to the amount of Haikuan Tls. 700,000 a year.

With the exception of the first charge created by the Original Loan Agreement the Provincial revenues as above stated are hereby declared to be free from all other loans, charges or mortgages.

So long as principal and interest of the loan are regularly paid, there shall be no interference with these provincial revenues but if principal or interest of the loan be in default at due date, then, after a reasonable period of grace, likin and suitable internal revenues of the four provinces sufficient to provide the amount above stated shall forthwith be transferred to, and be administered by, the Imperial Maritime Customs, in the interest of the bondholders. And so long as this loan or any part thereof shall remain unredeemed, it shall have priority both as regards principal and interest, subject to the obligations created by Article 9 of the original loan agreement over all future loans, charges and mortgages charged on the above-mentioned revenues of the four provinces.

No loan, charge or mortgage shall be raised or created which shall take precedence of, or be on equality with this loan, or which shall in any manner lessen or impair its security over the revenues of the four provinces as above stated; and any future loan, charge or mortgage charged on the said revenues of the four provinces shall be made subject to this loan, and it shall be so expressed in every agreement for every such future loan, charge or mortgage. It is understood and agreed that so long as this loan is unredeemed the Railway shall under no circumstances be mortgaged nor its receipts given as security to any other party.

In the event of the Chinese Government, during the currency of this loan entering upon definite arrangements for the revision of Customs Tariff accompanied by stipulations for decrease or abolition of likin, it is hereby agreed, on the one hand, that such revision shall not be barred by the fact that this loan is secured by likin and provincial revenues, and, on the other hand, that whatever likin is required to provide the security of this loan shall neither be decreased nor abolished except by previous arrangement with the Syndicate and then only in so far as an equivalent is substituted for it in the shape of a first charge upon the increase of Customs Revenue consequent upon such revision.

Article 10.—The Syndicate is hereby authorised to issue to subscribers to the loan, Bonds for the total amount of the loan for such amounts as may appear advisable to the Syndicate. The form of the Bonds shall be settled by the Syndicate in consultation with the Director General or the Chinese Ministers in London and Berlin. The Bonds shall be engraved in Chinese and English or Chinese and German as may be required; they shall bear the facsimile of the signature of the Director General and of his seal of Office, in order to dispense with the necessity of signing them all in person; and it is hereby agreed that the Chinese Minister in London shall, previous to the issue of any Bonds, put his seal upon each Bond with a facsimile of his signature, as a proof that the issue and sale of the Bonds are duly authorised by, and binding upon, the Imperial Chinese Government, and the representatives of the Syndicate in London shall countersign the bonds as Agents for the issue of the loan.

In the event of bonds issued for this loan being lost, stolen or destroyed, the Syndicate shall immediately notify the Director General and the Chinese Minister in London and/or Berlin, as the case requires, who shall authorise the Syndicate to insert an advertisement in the public newspapers notifying that payment of the same has been stopped and to take such other steps as may appear advisable or necessary according to the laws and customs of the country concerned, and should such bonds not be recovered after a lapse of time to be fixed by the Syndicate, the Director General or the Chinese Minister in London, shall seal and execute duplicate bonds for a like amount and hand them to the Syndicate, by whom all expenses in connection therewith shall be defrayed.

Article 11.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts during the currency of this loan.

Article 12.—All details necessary for the prospectus and connected with the payment of the interest and repayment of the principal of this loan, not herein explicitly provided for, shall be left to the arrangement of the Syndicate in consultation with the Chinese Ministers in London and Berlin. The Syndicate is hereby authorised to issue the prospectus of the loan as soon as possible after the signing of this agreement; and the Imperial Government will instruct the Chinese Ministers in London and Berlin to co-operate with the Syndicate in any matters requiring conjoint action and to sign the prospectus of the loan.

Article 13.—The loan shall be issued to the public in two or more series of bonds the first issue to be made to the amount of three million pounds sterling (£3,000,000) as soon as possible after the signature of this agreement, and not later than six (6) months from the date thereof. The price to the Imperial Chinese Government of the bonds shall be the actual rate of their issue to the public, less flotation charges of five and a half (5½) points retainable by the Syndicate (that is to say, a charge of five pounds ten shillings (£5/10/-) for every £100 bond issued). Subscriptions will be invited by the Syndicate in Europe and in China both from Chinese and Europeans on equal conditions, preference being given to the application of the Chinese Government, provided such application be made before the issue of the prospectus to the public.

If before the issue of this loan has been completed and during the period of construction it is found that the capital to be provided under Article 3 is already sufficient the Director General shall have the power at his discretion, to dispense with the issue of further bonds.

Article 14.—The proceeds of the loan shall be paid to the credit of a Tientsin-Pukow Government Railway Supplementary Loan Account with the Hongkong and Shanghai Banking Corporation and the Deutsch Asiatische Bank in China, London or Berlin, as the case may be. Payments of loan proceeds into the credit of this account shall be made in instalments and on dates conforming to the conditions allowed to the subscribers to the loan. Interest at the rate of four (4) per cent per annum shall be granted on the credit balance of the portion of this account kept in London and Berlin, and interest on the credit balance of the portion kept in China will be allowed at the Banks' rates for current accounts, or fixed deposits, as the case may be, to be arranged. After deduction of the

funds required for the service of interest and for commission on this service during the time of construction, the Banks will hold the net proceeds with accrued interest to the order of the Director General, who, in ordering payments of any sums exceeding twenty thousand pounds (£20,000) shall give notice to the Banks ten (10) days before the day on which they are required. Requisitions on the loan funds will be drawn in amounts to suit the progress of construction of the Railway by orders on the Hongkong and Shanghai Banking Corporation and the Deutsch Asiatische Bank respectively, signed by the Managing Director of the Railway or, in his absence, by his duly authorised representative, and accompanied by his certificates stating the nature and cost of the work to be paid for.

Such amounts as may be required in China may at any time be transferred by the Managing Director, at his discretion, to Shanghai, the transfers being effected through the Hongkong and Shanghai Banking Corporation and the Deutsch Asiatische Bank respectively, and the transferred funds shall remain on deposit with those Banks until required for railway purposes.

The accounts of the Railway will be kept in Chinese and English in accordance with accepted modern methods, and will be supported by all necessary vouchers. During the period of construction the said accounts and vouchers will be open at any time to the inspection of an Auditor, appointed and paid by the Syndicate, whose duties will be confined to certifying to the Syndicate to the due expenditure of the loan funds in accordance with the provisions of Article 3 of this agreement, and to certifying to a monthly statement of the foreign materials purchased by the Railway Administration under the provisions of Article 18 hereinafter. He will arrange with the Railway Administration that his inspections shall take place on such dates and at such intervals as will enable him efficiently to carry out his duties as herein provided. The Railway Administration will publish annually upon the close of its financial year, a report in the Chinese and English languages showing the working accounts and traffic receipts of the Railway, which report shall be procurable by the public on application.

Article 15.—If during the time of construction the net proceeds of the present loan with accrued interest should, after deduction of the sums necessary for the service of interest on the loan, not be sufficient to complete the construction and equipment of the Railway line, the amount of deficiency shall be provided, in the first place, from such Chinese funds as may be available so as to permit of the uninterrupted continuance of the work of construction, any balance then uncovered being supplemented by a further foreign loan for the amount required to be issued by the Syndicate. The interest and other conditions of such supplementary loan will be the same as in the present agreement, and the price will be determined as in the case of the present loan. If after the completion of the line there should be a balance at credit of the Railway Supplementary Loan Account such unused balance will be transferred to the credit of the interest reserve fund hereinafter mentioned in Article 20 as a provision for payments for which the Imperial Chinese Government is responsible under this Agreement.

Article 16.—If, before the publication of the prospectus for the issue of the loan, any political or financial crisis should take place by which the market and the prices of existing Chinese Government stocks are so affected as to render, in

the opinion of the Syndicate, the successful issue of the loan impossible on the terms herein named, the Syndicate shall be granted further extension of time but not beyond nine (9) months from the date of this agreement, for the performance of their contract. If within this time limit the first series of the loan shall not have been issued then this contract shall become null and void.

ARTICLE 17.—The construction and control of the Railway will be entirely vested in the Imperial Chinese Government. For the work of construction of the Northern and Southern Sections respectively the selection and appointment by the Imperial Chinese Government of fully qualified German and British Chief Engineers, acceptable to the Syndicate, which have already been made, will be continued as heretofore. In the event of the Syndicate objecting to any proposed appointment, the cause of such objection shall be definitely stated. These two Chief Engineers shall be under the orders of the Managing Director, or, in his absence, his duly authorised representative, and will carry out all the wishes of the Railway Administration with regard to the plan and construction of the line. In their general conduct they shall pay all due respect to the Director General and the Managing Director. The terms of their respective agreements will be arranged by the Director General on his sole authority.

Whenever appointments are to be made or functions are to be defined of the technical employes on the railway staff, as well as in the case of their dismissal, the Managing Director, or, in his absence, his duly appointed representative, will act in consultation with the Chief Engineer of the section concerned, and, in the case of disagreement, the matter will be referred to the Director General whose decision shall be final.

After completion of construction the Imperial Chinese Government will administer both sections as one undivided Government Railway and will appoint an Engineer-in-Chief, who during the period of the loan shall be a European, without reference to the Syndicate.

ARTICLE 18.—For the Northern and Southern Sections of the Railway respectively the Deutsch Asiatische Bank and the Chinese Central Railways Limited will act as Agents of the Railway Administration, during construction, for the purchase of all materials, plant and goods required to be imported from abroad. For all important purchases of such materials, tenders shall be called for by the Managing Director; in the case of all tenders, indents and orders for the importation of goods and materials from abroad, the said Agents shall purchase the materials required on the terms most advantageous to the Railway, and shall charge the original net cost of the same plus a commission of five (5) per cent. It is understood that no orders for materials shall be executed or any expenditure incurred without due authorisation by the Managing Director.

In return for payment of commission as above stated, the Deutsch Asiatische Bank and the Chinese Central Railways Limited as Agents within their respective sections, shall be prepared to superintend the purchase of all foreign materials required for the construction and equipment of the Railway, which shall be purchased in the open market at the lowest rate obtainable, it being understood that all such materials shall be of good and satisfactory quality, and that the Railway Administration shall have the right to reject on arrival in China materials

which do not come up to specifications. At equal rates and qualities goods of German and British manufacture shall be given preference over other goods of foreign origin for the Northern and Southern Sections respectively. The Railway Administation reserves the right, while paying the above stipulated commission to the said Agents in respect of all purchases of foreign materials, to avail itself of the services of other Agents in China or abroad should it see fit to do so. Original invoices and Inspectors' Certificates are to be submitted to the Managing Director; all return commissions and rebates of every description shall be credited to the Railway; and all purchases made by the Agents on behalf of the Railway shall be supported by manufacturers' original invoices and inspectors' certificates.

No commission shall be paid to the Agents except as above provided; but it is understood that the Railway Administration shall provide out of Railway funds for the remuneration of consulting engineers whenever their services are engaged.

With a view to the encouragement of Chinese industries, preference will be given at equal prices and qualities, over British, German or other foreign goods, to Chinese materials and goods manufactured in China. No commission will be paid on purchases of such materials and goods.

It is understood and agreed that after the construction of the line is completed the Deutsch Asiatische Bank and the Chinese Central Railways Limited, within their respective sections, will be given the preference for such Agency business, during the currency of the loan, for the supply of foreign materials as the Railway Administration may require, on terms to be hereafter mutually agreed upon.

ARTICLE 19.—Branch lines in connection with the Railway line mentioned in this agreement that may appear profitable or necessary later on shall be built by the Imperial Chinese Government with funds at their disposal from Chinese sources, and if foreign capital is required, preference will be given to the Syndicate.

ARTICLE 20.—After payment of interest and repayment of principal of the loan for any current year, the Railway Administration will deposit with the Deutsch Asiatiche Bank and the Hongkong and Shanghai Banking Corporation in Shanghai or Tientsin any surplus of the net revenue of the Railway line for that year up to the amount required to pay the following year's instalments of interest on the loan; the rate of interest on the deposit being arranged with the Banks from time to time with due regard to the conditions of the market.

ARTICLE 21.—The Deutsch Asiatische Bank and the Chinese Central Railways Limited may, subject to all their obligations under this Agreement, transfer or delegate all or any of their rights, powers and discretions thereunder to any German or British Company, Directors or Agents with powers of further transfer, and sub-delegation; such transfer, sub-transfer, delegation or sub-delegation to be subject to the approval of the Director General.

ARTICLE 22.—This agreement is signed under authority of an Imperial Edict dated the nineteenth day of the eighth month in the second year of Hsuan Tung, corresponding to the twenty second day of September, 1910, Western Calendar, which has been officially communicated to the Ministers of Great Britain and Germany in Peking by the Waiwupu.

ARTICLE 23.—Five sets of this Agreement are executed in English and

Chinese, three sets to be retained by the Imperial Chinese Government and two by the Syndicate.

In the event of any doubt arising regarding the interpretation of the contract, the English text shall rule.

Signed at Peking by the contracting parties this twenty fifth day of the eighth month of the second year of Hsuan Tung, corresponding to the twenty eighth day of September one thousand nine hundred and ten, Western Calendar.

For the Deutsch Asiatische Bank,
H. CORDES.

Director General, Tientsin-Pukow Railway,
HSU SHIH CHANG.

For the Chinese Central Railways Limited,
S. F. MAYERS.

Assistant Director General, Tientsin-Pukow Railway.
SHEN YUN PEI.

[*Seal of* DIRECTOR GENERAL, TIENTSIN-PUKOW RAILWAY.]

TIENTSIN-PUKOW RAILWAY SUPPLEMENTARY LOAN.
£4,800,000 AT 5%: 30 YEARS.

Schedule of Payments of Interest and Repayments of Principal.

Year	Interest	Principal	Total Principal Repaid	Principal still Outstanding
	£	£	£	£
1	120,000			
	120,000			4,800,000
2	120,000			
	120,000			4,800,000
3	120,000			
	120,000			4,800,000
4	120,000			
	120,000			4,800,000
5	120,000			
	120,000			4,800,000
6	120,000			
	120,000			4,800,000
7	120,000			
	120,000			4,800,000
8	120,000			
	120,000			4,800,000
9	120,000			
	120,000			4,800,000
10	120,000			
	120,000			4,800,000
11	120,000			
	120,000	240,000	240,000	4,560,000
12	114,000			
	114,000	240,000	480,000	4,320,000
13	108,000			
	108,000	240,000	720,000	4,080,000
14	102,000			
	102,000	240,000	960,000	3,840,000
15	96,000			
	96,000	240,000	1,200,000	3,600,000

Year	Interest £	Principal £	Total Principal Repaid £	Principal still Outstanding £
16	90,000 90,000	240,000	1,440,000	3,360,000
17	84,000 84,000	240,000	1,680,000	3,120,000
18	78,000 78,000	240,000	1,920,000	2,880,000
19	72,000 72,000	240,000	2,160,000	2,640,000
20	66,000 66,000	240,000	2,400,000	2,400,000
21	60,000 60,000	240,000	2,640,000	2,160,000
22	54,000 54,000	240,000	2,880,000	1,920,000
23	48,000 48,000	240,000	3,120,000	1,680,000
24	42,000 42,000	240,000	3,360,000	1,440,000
25	36,000 36,000	240,000	3,600,000	1,200,000
26	30,000 30,000	240,000	3,840,000	960,000
27	24,000 24,000	240,000	4,080,000	720,000
28	18,000 18,000	240,000	4,320,000	480,000
29	12,000 12,000	240,000	4,560,000	240,000
30	6,000 6,000	240,000	4,800,000	——

Pending the issue of the final series of this loan, in terms of Article 13 of the agreement, the half-yearly interest on the series actually issued shall be calculated pro rata in respect to the amounts of such series on the basis of the present schedule for the total amount of £4,800,000, but it shall be so arranged that the dates of payment of the second and any subsequent series shall coincide with those of the first series, in such way that, when all the series have been issued, the service of principal and interest of the loan may be brought into line in respect to dates of payment.

Note.

Letter of Agreement for Advances by Deutsch-Asiatische Bank for Tientsin-Pukow Railway, July 11, 1912.

DEUTSCH-ASIATISCHE BANK.

Peking, 11th July, 1912.

The Honourable Mr. Chu Chichien,
Director General Tientsin-Pukow Railway,
Present.

SIR,

I have the honour to inform you that, as the final series of bonds of the Chinese Government Five Percent Tientsin-Pukow Railway Supplementary Loan has not yet been issued and with a view to permit of the uninterrupted continuance of the work of construction, the Deutsch Asiatische Bank in Berlin has, in compliance with your request, consented to an advance to the amount of £40,000 (Forty Thousand Pounds Sterling) for the urgent requirements in July of the Tientsin-Pukow Railway, Northern Section, under the following terms and conditions:—

1.—The Deutsch Asiatische Bank agrees to advance the said amount of £40,000 to the Tientsin-Pukow Railway Administration in instalments as required, bearing interest at the rate of seven (7) percent per annum from the date of each instalment, and to be repaid with interest by deduction by the Deutsch Asiatische Bank from the final issue of the Tientsin-Pukow Railway Supplementary Loan Bonds, or, in any case, on the 31st December, 1912.

2.—The unissued part of the Bonds of the Tientsin-Pukow Railway Supplementary Loan now deposited with the Deutsch Asiatische Bank in Berlin are hereby hypothecated as security for this present and former advances made by the Deutsch Asiatische Bank to the Tientsin-Pukow Railway Administration, and these Bonds will in like manner be given as security for any future advances for the completion of Construction which the Deutsch Asiatische Bank may agree to make to the Railway Administration.

3.—This advance will only be employed for the purposes enumerated in the statement annexed hereto.

4.—The arrangements made between the Berlin Purchasing Agency and the Tientsin-Pukow Railway, Northern Section, for payments of materials purchased at Berlin will remain unchanged.

5.—This advance shall be kept in the Deutsch Asiatische Bank until actually required for the purposes specified in the statement annexed hereto and shall be drawn upon as hereinafter provided.

6.—Requisitions on this advance will be drawn by order issued and signed by the foreign Chief Accountant of the Tientsin-Pukow Railway, Northern Section, and approved and countersigned by the Managing Director or his Representative.

7.—Until complete repayment with interest of this advance and of all former advances made by the Deutsch Asiatische Bank to the Tientsin-Pukow Railway Administration, the latter will treat all their traffic Receipts on the Northern Section as funds for construction works and/or the Loan service, and will deposit with the Deutsch Asiatische Bank such amounts thereof as the Engineer-in-Chief will not require immediately for construction purposes. The Foreign Chief Accountant of the Northern Section shall every ten days furnish to the Managing Director for the information of the Engineer-in-Chief a statement of earnings from all sources. The conditions for drawing on the earnings so deposited with the Deutsch Asiatische Bank will be the same as those provided in clause 6 above.

8.—In the event of the Chinese Government having bona fide Chinese funds at their disposal for carrying on the work of construction, they may at any time utilise such funds for repaying with interest any advances as may then have been made, and thereby render the arrangements made under this Letter of Agreement null and void.

9.—The terms and conditions of this Letter of Agreement will forthwith be communicated by the Director General of the Tientsin-Pukow Railway through the Board of Communications to the Waichiao Pu and will by the Waichiao Pu be officially communicated to the Minister for Germany in Peking.

10.—This Letter is in duplicate in English and Chinese and it is understood that in the event of any doubt arising regarding the interpretation of its terms the English text shall rule.

I have the honour to request that you will be good enough to signify your acceptance and confirmation of the arrangements and conditions herein contained by affixing your

signature to the statement to this effect below, retaining one copy of the Letter so executed for your files and returning the other to the undersigned.

I have the honour to be, Sir,
Your obedient servant,
FOR THE DEUTSCH ASIATISCHE BANK,
H. CORDES.

I hereby accept and confirm on behalf of the Tientsin-Pukow Railway Administration the arrangements and conditions herein contained.

Peking 11th July, 1912.

(*Signed*)
(*Seal*)

IM JULI 1912 VORRAUSSICHTLICH ZU LEISTENDE ZAHLUNGEN IN CHINA.

A-Ausgaben:—

Shantung Bahn Frachten	$ 70,000
Peking-Mukden Bahn Frachten	" 30,000
Chee Hsin Co., Cementlieferungen	"100,000
Chinese Engineering & M. Co., Kohlen	" 98,000
China Imp. Exp. & Lumber Co., Schwellen	"119,000
	$417,000
Ein Drittel	$139,000
Peking-Mukden Bahn, Vorschuss	$ 40,000
Bau & Betriebsausgaben	"250.000
Gehaelter Europäer	" 25,000
" Chinesen	" 38,000
" Polizei	" 7,000
" Soldaten	" 8,000
Laufende Ausgaben	" 20,000
	$527,000

B. Einnahmen:—(Voraussichtlich)

Deutsch Asiatische Bank Berlin £30,000	$300,000	
Betriebseinnahmen	$120,000	
Peking-Hankow Railway	$ 20,000	
		$440,000
Zu wenig		$ 87,000

Wenn von der Deutsch Asiatischen Bank Berlin statt £30,000 deren £40,000 ueberwiesen wuerden, so koennten die Ausgaben wie oben gedeckt werden.

(Gezeichnet) Brickner.
22/6 1912.

Letter of Agreement for Advances by Deutsch-Asiatische Bank for Tientsin-Pukow Railway, August 12, 1912.

DEUTSCH-ASIATISCHE BANK.

Peking, 12th August, 1912.

The Honourable Mr. Chu Chi-chien,
Director General of the Tientsin-Pukow Railway, Peking.

SIR,

I have the honour to inform you that, as the final series of bonds of the Chinese Government Five Percent Tientsin-Pukow Railway Supplementary Loan has not yet been issued and with a view to permit of the uninterrupted continuance of the work of construction, the Deutsch Asiatische Bank in Berlin has, in compliance with your request, consented to an advance to the amount of £49,000.— (Forty Nine Thousand Pounds Sterling) for the urgent requirements in August of the Tientsin-Pukow Railway, Northern Section, as specified in the Statement annexed hereto, under the terms and conditions set forth in my Letter of Agreement for the advance of £40,000 for the month of July, dated the 11th of July, 1912.

It is understood and agreed that this present advance of £49,000 shall be treated in conjunction with the advance for July of £40,000 above referred to and with all previous advances made by the Deutsch Asiatische Bank to the Tientsin-Pukow Railway Administration.

I have the honour to request that you will be good enough to signify your acceptance

and confirmation of the arrangements and conditions herein contained by affixing your signature to the statement to this effect below, retaining one of the two copies of this Letter so executed for your files and returning the other to the undersigned.

I have the honour to be, Sir,
Your obedient servant,
For the Deutsch-Asiatische Bank,
(*S'd*) H. Cordes.

I hereby accept and confirm on behalf of the Tientsin-Pukow Railway Administration the arrangements and conditions herein contained.

Peking 12th August, 1912.

(S'd)
(Seal)

STATEMENT.

(Extract of the Estimate for the month of August, 1912, signed by the Chief Accountant Mr. Brickner on July 27th, 1912.)

Salaries	Europeans £1625.–.= $16250.–.		
	do $ 8000.–.		$24,250.–.
	Chinese		„77,255.60
Wages			„37,708.50
Contractors			„85,650.27
Construction Materials			„56,766.06
Store Materials, including Coal $12,300.–.			„76,886.–.
Current Expenses			„12,201.21
			$370,697.64
Current Account Debts:—			
Shuntung Railway	$ 55,387.–.		
Cement Works	$110,590.–.		
Lumber Co.	„ 80,250.–.		
Engineering Co.	„ 88,519.–.		
Peking Mukden R.	„ 30,000.–.		$364,746.–.
			$735,443.64

Letter of Agreement for Advances by Chinese Central Railways for Tientsin-Pukow Railway, August 28, 1912.

CHINESE CENTRAL RAILWAYS LIMITED.

Peking, August 28th, 1912.

The Honourable Mr. Chu Chi-Chien,
Minister of Communications, Peking.

Sir,

I have the honour to inform you that, as the final series of bonds of the Chinese Government 5%Tientsin Pukow Railway Supplementary Loan has not yet been issued, and with a view to permit of the uninterrupted continuance of the work of construction and maintenance, Chinese Central Railways Limited, London, has, in compliance with your request, consented to make advances not exceeding £300,000 sterling, in instalments to meet the urgent requirements of the Tientsin Pukow Railway, Southern Section, under the following terms and conditions:—

1. Chinese Central Railways Limited agree to make the said advances, not exceeding £300,000 (Three Hundred Thousand pounds) in monthly instalments as required, up to March 31st 1913, bearing interest at the rate of 7% per annum from the date of each instalment: these advances together with previous advances already made by Chinese Central Railways Limited to be repaid with interest by deduction by Chinese Central Railways Limited from the final issue of the Tientsin Pukow Railway Supplementary Loan bonds, or in any case on March 31st 1913.

2. The unissued part of the bonds of the Tientsin Pukow Railway Supplementary Loan (London issue) are hereby hypothecated as security for this present and all former advances made by Chinese Central Railways Limited to the Tientsin Pukow Railway Administration, and these bonds will in like manner be given as security for any future advances for the completion of construction which Chinese Central Railways Limited may agree to make to the Railway Administration.

3. It is hereby agreed that these advances will be applied solely to the following purposes:—

a. Payment of the Southern Section's outstanding obligations, and the provision of the necessary rolling stock and ferry between Pukow and Nanking.

b. Continuance of construction work on the Southern section.

4. These advances shall be kept in the Hongkong and Shanghai Banking Corporation until actually required for the purposes specified in Clause 3 and shall be drawn upon as hereinafter provided.

5. Requisitions on these advances will be drawn by orders issued and signed by the foreign Chief Accountant of the Tientsin Pukow Railway Southern Section and approved and countersigned by the Managing Director, or his representative.

6. Until complete repayment with interest of these advances and of all other advances made by Chinese Central Railways Limited to the Railway Administration the latter will treat their traffic receipts on the Southern Section as funds for construction works and/or loan service, and will deposit with the Hongkong and Shanghai Bank such amounts thereof as the Engineer-in-Chief will not require immediately for construction purposes. The foreign Chief Accountant of the Southern Section shall every ten days furnish to the Managing Director for the information of the Engineer-in-Chief a statement of earnings from all sources. The conditions for drawing on the earnings so deposited with the Hongkong and Shanghai Bank will be the same as those provided in Clause 5 above.

7. In the event of the Chinese Government having bona fide Chinese funds at their disposal for carrying on the work of construction, they may at any time utilise such funds for repaying with interest any advances as may then have been made, and thereby render the arrangements made under this letter of agreement null and void.

8. The terms and conditions of this Letter of Agreement will forthwith be communicated by the Ministry of Communications to the Waichiaopu and will by the Waichiaopu be officially communicated to the Minister for Great Britain in Peking.

This letter is in duplicate in English and Chinese and it is understood that in the event of any doubt arising regarding the interpretation of its terms the English text shall rule.

I have the honour to request that you will be good enough to signify your acceptance and confirmation of the arrangements and conditions herein contained by affixing your signature to the statement to this effect below, retaining one copy of the letter so executed for your files and returning the other to the undersigned.

I have the honour to be, Sir,
Your obedient servant,
(S'd) S. F. Mayers,
For Chinese Central Railways Limited.

I hereby accept and confirm on behalf of the Tientsin-Pukow Railway Administration the arrangements and conditions herein contained.

CHINESE CENTRAL RAILWAYS LIMITED.

Peking, August 28th, 1912.

The Honourable Mr. Chu Chi-Chien,
Minister of Communications, Peking.

Sir,

With reference to the Letter of Agreement of today's date for advances up to £300,000 from Chinese Central Railways Limited to the Tientsin Pukow Railway, Southern Section, to be repaid on or before March 31st 1913, and in consideration for which the unissued bonds of the Tientsin Pukow Railway Supplementary Loan (London issue) are hypothecated as security it is understood that if it is possible before 31st March 1913 to issue the balance of the loan, the Chinese Central Railways Limited will be duly authorised to take the necessary steps as on the occasions of previous issues: should no issue appear possible, Chinese Central Railways Limited will notify the Railway Administration one month prior to the date upon which these advances are due for repayment, and if the Railway Administration is unable to repay all advances at due date it is understood that Chinese Central Railways Limited shall have the option to purchase at 88 sufficient bonds to repay these and previous advances. This price of £88 for each £100 bond is based on the present market price less interest and commission.

I shall be glad if you will favour me with a reply granting this option to Chinese Central Railways Limited, and assuring them that in the event of its being exercised the Chinese Minister in London will be called upon to cooperate in taking the steps which would be necessary to obtain quotation of these bonds on the London Stock Exchange.

I have the honour to be,
Sir,
Your obedient servant,
(*S'd*) S. F. Mayers,
For Chinese Central Railways Limited.

In connection with this agreement see also the agreement of January 13, 1908 (No. 1908/1, *ante*).

NUMBER 1910/5.

FRANCE (Banque de l'Indo-Chine), GERMANY (Deutsch-Chinesische Eisenbahn Gesellschaft), GREAT BRITAIN (British & Chinese Corporation, Limited, and Chinese Central Railways, Limited) AND UNITED STATES (American Group).

Agreement concerning loans for railway purposes.—November 10, 1910.*

MEMORANDUM OF AGREEMENT made the Tenth Day of November One thousand nine hundred and ten Between THE BRITISH AND CHINESE CORPORATION LIMITED having its registered office at 3 Lombard Street in the City of London (hereinafter called "the Corporation") of the first part CHINESE CENTRAL RAILWAYS LIMITED having its registered office at 110 Cannon Street in the said City (hereinafter called "the Central Company") of the second part THE BANQUE DE L'INDO CHINE having its office at 15bis Rue Laffitte Paris (hereinafter called "the French Bank") of the third part THE DEUTSCH-CHINESISCHE EISENBAHN GESELLSCHAFT m. b. H. having its office at 31 Unter den Linden Berlin (hereinafter called "the German Company") of the fourth part MESSRS. J. P. MORGAN & CO., MESSRS. KUHN, LOEB & CO., THE FIRST NATIONAL BANK and THE NATIONAL CITY BANK all of New York (hereinafter called "the American Group") acting as to the United Kingdom by Messrs. Morgan Grenfell & Co. of 22 Old Broad Street in the City of London as to Germany by Messrs. M. M. Warburg & Co. of Hamburg and as to France by Messrs. Morgan Harjes & Co. of Paris and Messrs. M. M. Warburg & Co. (all hereinafter collectively called "the American Agents") of the fifth part.

WHEREAS the parties hereto have expressed their willingness to enter into a general understanding for the purpose of governing their action in connection with the negotiations for and making to the Chinese Empire loans for railway purposes NOW IT IS HEREBY AGREED by and between the parties hereto as follows:—

1.—IN the matter of this Agreement the French Bank is acting on behalf of the French Syndicate for Chinese business consisting of the parties whose names are set forth in the First Schedule hereto, the German Company is acting on behalf of the German Syndicate for Chinese business consisting of the parties whose names are set forth in the Second Schedule hereto, and the American Agents are acting on behalf of the American Group. The French Bank the Germany Company and the American Group reserve to themselves the right of increasing or reducing in each special case the number of parties interested in the French and German Syndicates and the American Group respectively and a similar right is reserved to the Corporation but so that in any such case any party dropping out in any special case shall still remain bound by the restrictive

* In connection with this agreement see also the Anglo-German bankers' agreement of September 2, 1898 (see p. 266, *ante*), Anglo-French bankers' agreement of October 2, 1905 (No. 1905/11, *ante*), and Hukuang Railway loan agreement of May 20, 1911 (No. 1911/5, *post*). See Note to this document, *post*, p. 833.

provisions hereof, and any party coming in in any special case shall become subject to the restrictive provisions hereof.

2.—THIS Agreement relates to all loans and advances for railway purposes to be floated out of the Chinese Empire which may be made with the Chinese Imperial Government and/or with Government Departments and Companies having Chinese Imperial or Provincial Government guarantees but does not relate to loans to be floated within the Chinese Empire nor to any loans in connection with the Hankow-Canton and Hankow-Chengtu Railways.

3.—ANY business of the kind hereinbefore defined to which the Agreement relates which may be offered to any of the contracting parties of the first third fourth and fifth parts(hereinafter jointly referred to as "the lenders") must be dealt with jointly by them in accordance with the stipulations of this Agreement.

4.—AS regards joint action in respect of financial operations for railway purposes not having such guarantees special Agreements will have to be made in each separate case.

5.—THIS Agreement is made on the principle of equality namely equal terms in every respect between the lenders and each of the lenders enters into this Agreement for their respective groups and shall take an equal share in all operations and jointly sign all contracts except as hereinafter provided and shall bear in equal shares all charges in connection with any business (except stamp duties and any charges of and connected with the realisation by each of the lenders in their respective markets of their participation in the operations) and conclude all contracts with equal rights and obligations as between themselves PROVIDED ALWAYS that in cases where the introduction of third parties is calculated to prejudice the success of the negotiations any business falling within the scope of this Agreement may be entertained and negotiations entered upon by any one of the lenders alone but with notice to be given to the other lenders as soon as possible and should it appear in the course of such negotiations that the conditions imposed upon the business preclude joint negotiations and/or joint signatures by the lenders in terms of this Agreement the negotiating party may if mutually agreed upon by the lenders conclude the negotiations and sign the Agreement alone but upon the terms of the other lenders being entitled to all rights or participation under this Agreement other than those involving or arising from joint negotiation and joint signature but it is understood that all the lenders will use their best endeavors to obtain the joint signatures to any contract except where by mutual consent of those lenders who are prepared to participate this is found to be impracticable when the party signing the contract shall by the insertion of a special clause or execution of a separate declaration of trust or otherwise ensure to the other lenders the same rights as regards the taking over the issue and service of the loan which it has obtained under the contract for itself and also the authority required for obtaining official quotations in the respective markets of the said other parties.

6.—ALL contracts shall so far as possible be made so as not to impose joint liability on the lenders, but each of the parties to the said contracts shall severally liquidate its own engagements and liabilities towards the party of the other side in China. The parties to the said contracts will so far as possible come to an

understanding with regard to the realization of the operations but so that such realization in whatever manner this may take place shall be for the separate benefit of each of the lenders as regards their respective participations therein.

7.—IN the event of any of the lenders declining a participation in any business proposed either at the outset or at any time during the course of the negotiations the other lenders shall have the option of taking up and carrying out the business either jointly or if only one takes up the business separately on their or its respective accounts and in their or its respective markets without prejudice to the provisions of this Agreement.

8.—THE lenders will endeavor to secure in their respective markets a successful issue of any loan the subject-matter of contracts entered into with them jointly or in which they may be jointly interested.

9.—SUBJECT to the provisions of the Agreement referred to in paragraph 14 hereof any participation given in its own market by any one of the lenders shall be for its own account only but any participations given by and in the mutual interest of all the lenders who may be parties to or interested in any contract to any banks or banking firms outside of England France Germany and America respectively shall be borne in equal shares by the parties interested.

10.—ALL offers shall be made to the Chinese Authorities and loans accepted on terms of control which involve as a minimum:

(A) The appointment of Engineers in Chief to be approved by the lenders or lender taking a participation in the business and the Chinese to be required to make appointments approved by such lenders or lender alternately according to the order of the parties to this Agreement except where the interest of any other group can be shown to predominate and in that case the Engineer shall be appointed by that Group.

(B) Until actually required for construction proceeds of Loans to remain under the control of such lenders on terms not less favorable to the lenders than are contained in the Hukuang Loan Agreement initialled Sixth June One Thousand nine hundred and nine and in the corresponding official despatch.†

(C) Provision for proper account keeping and financial control under the direction of a Chief Accountant to be approved by such lenders or lender.

11.—THE orders for materials required for any railway as far as possible shall be equally divided between the lenders or lender participating and the commission receivable from the Chinese on such purchases after provision for the expenses of earning such commission is to be shared between the lenders or lender participating equally or as may be arranged.

12.—THE Central Company consents to be bound by the terms of this Agreement to the extent of giving effect thereto by granting to each of them the German Company and the American group one fourth interest in all loans for railway purposes obtained by it in connection with any part of the Chinese Empire north of the Yangtse River and the German Company and the American Group each agrees to grant to the other of them one-fourth interest in any loans for Railway purposes secured by it in the said area and also agrees to grant to the

† Quoted in note to final agreement for Hukuang Railway Loan, May 20, 1911 (No. 1911/5), p. 880, *post*.

Central Company one-half interest in any loans for railway purposes secured by it in the said area and the granting of such interests to the Central Company is hereby accepted by the Corporation and the French Bank as in satisfaction of all rights under this Agreement to participation in such loans. The Central Company not being comprised in the lenders as per Article 3 shall in their negotiations with the Chinese Authorities nevertheless be bound by Clause 10 of the present Agreement.

13.—IT is distinctly understood that by the foregoing Articles 3 and 12 the German Company and the American Group shall each participate in any business of the kind defined in Article 2 of this Agreement to the extent of one-fourth share.

14.—SAVE as herein provided and as provided in an Agreement between the Hong Kong and Shanghai Banking Corporation the Deutsch-Asiatische Bank the Banque de l'Indo Chine and the American Group proposed to be entered into immediately after this Agreement no business of the kind falling within the scope of this Agreement shall be concluded or entered into either directly or indirectly by any of the parties hereto or by any of those whom they respectively represent without the consent of the others.

15.—WHERE reference is made in this Agreement to the lenders or lender taking a participation in any business such or any similar expression shall be deemed to include the American Group unless such group shall have declined its participation and notwithstanding that its participation is being issued on its account by one or more of the other parties to the Agreement mentioned in the last preceding clause hereof.

16.—THE present Agreement shall remain in force until the Thirty-first December One thousand nine hundred and twelve and unless determined on that day by twelve months' previous notice given by any one of the parties to the others then until six months' notice shall be given by any one of the parties such notice to expire on the Thirtieth June or Thirty-first December in any year. Provided nevertheless that if during the continuance of the present agreement the Agreement of the Thirtieth June One thousand eight hundred and ninety-eight made between the Corporation and the Hong Kong and Shanghai Banking Corporation the terms of which have been communicated to the other parties hereto shall be determined by that Bank in pursuance of the power therein contained then the present Agreement shall forthwith upon such determination also cease and determine. Notwithstanding the termination of the present Agreement all contracts made hereunder shall continue in force for their due fulfilment until completely carried out.

IN WITNESS whereof the duly authorized representatives of the respective parties hereto have set their hands the day and year first above written.

FIRST SCHEDULE

Banque de l'Indo Chine	Paris
Banque de Paris et des Pays-Bas	"
Comptoir National d'Escompte de Paris	"
Crédit Lyonnais	"
Société Générale pour favoriser le développement du Commerce et de l'Industrie en France	"
Société Générale de Crédit Industriel & Commercial	"
Banque de l'Union Parisienne	"
Banque Française pour le Commerce et l'Industrie	"

SECOND SCHEDULE

Direction der Disconto-Gesellschaft	Berlin
S. Bleichroder	"
Deutsche Bank	"
Berliner Handels-Gesellschaft	"
Bank für Handel & Industrie	"
Mendelssohn & Co.	"
Dresdner Bank	"
A. Schaaffhausen'scher Bankverein	"
Nationalbank für Deutschland	"
Deutsch-Asiatische Bank	Shanghai
Jacob S. H. Stern	Frankfurt a/M.
Sal. Oppenheim jr. & Cie	Köln
Norddeutsche Bank in Hamburg	Hamburg
L. Behrens & Söhne	"
Bayerische Hypotheken-und Wechselbank	München

For and on behalf of
THE BRITISH AND CHINESE CORPORATION LIMITED
W. KESWICK
C. S. ADDIS.

For and on behalf of CHINESE CENTRAL RAILWAYS LIMITED
CARL MEYER
G. JAMIESON.

For and on behalf of THE BANQUE DE L'INDO CHINE
S. SIMON
E. ULLMANN.

For and on behalf of THE DEUTSCH-CHINESISCHE EISENBAHN GESELLSCHAFT m. b. H.
FR. URBIG
E. REHDERS.

For and on behalf of
Messrs. J. P. MORGAN & CO., Messrs. KUHN, LOEB & CO., THE FIRST NATIONAL BANK and THE NATIONAL CITY BANK,
MORGAN, GRENFELL & Co.
M. M. WARBURG & Co.
MORGAN HARJES & Co.

Note.

Under date of July 6, 1909, the British, French and German parties to this agreement had entered into a memorandum of agreement respecting loans to the Chinese Government for railway purposes, in the following terms:

Memorandum of agreement among British, French and German Groups in regard to Railway Loans, July 6, 1909.

MEMORANDUM OF AGREEMENT made the Sixth day of July, One thousand nine hundred and nine BETWEEN THE BRITISH AND CHINESE CORPORATION, LIMITED, having its registered office at 3 Lombard Street in the City of London (hereinafter called "the Corporation") of the first part CHINESE CENTRAL RAILWAYS, LIMITED, having its registered office at 110 Cannon Street in the said City (hereinafter called "the Central Company") of the second part THE BANQUE DE L'INDO CHINE, having its office at 15bis Rue Laffitte, Paris (hereinafter called "the French Bank") of the third part and THE DEUTSCH-CHINESISCHE EISENBAHN GESELLSCHAFT m.b.H. having its office at 31 Unter den Linden, Berlin (hereinafter called "the German Company") of the fourth part WHEREAS the parties hereto have expressed their willingness to enter into a general Anglo-Franco-German understanding for the purpose of governing their action in connection with the negotiations for and making to the Chinese Empire loans for railway purposes NOW IT IS HEREBY AGREED by and between the parties hereto as follows:

1.—IN the matter of this Agreement the French Bank is acting on behalf of the French Syndicate for Chinese business consisting of the parties whose names are set forth in the First Schedule hereto and the German Company is acting on behalf of the German Syndicate for Chinese business consisting of the parties whose names are set forth in the Second Schedule hereto. The French Bank and the German Company reserve to themselves the right of increasing or reducing in each special case the number of parties interested in the French and German Syndicates respectively and a similar right is reserved to the Corporation, but so that in any such case any party dropping out in any special case shall still remain bound by the restrictive provisions hereof and any party coming in in any special case shall become subject to the restrictive provisions hereof.

2.—THIS Agreement relates to all loans and advances for railway purposes to be floated out of the Chinese Empire which may be made with the Chinese Imperial Government and/or with Government Departments and Companies having Chinese Imperial or Provincial Government guarantees but does not relate to loans to be floated within the Chinese Empire nor to any loans in connection with the Hankow Canton and Hankow Chengtu Railways.

3.—ANY business of the kind hereinbefore defined to which this Agreement relates which may be offered to either of the contracting parties of the first, third and fourth parts (hereinafter jointly referred as "the lenders") must be dealt with jointly by them in accordance with the stipulations of this Agreement.

4.—AS regards joint action in respect of financial operations for railway purposes not having such guarantees, special Agreements will have to be made in each separate case.

5.—THIS Agreement is made on the principle of equality namely equal terms in every respect between the lenders and each of the lenders enters into this Agreement for their respective groups and shall take an equal share in all operations and jointly sign all contracts except as hereinafter provided and shall bear in equal shares all charges in connection with any business (except stamp duties and any charges of and connected with the realisation by each of the lenders in their respective markets of their participation in the operations) and conclude all contracts with equal rights and obligations as between themselves PROVIDED ALWAYS that in cases where the introduction of third parties is calculated to prejudice the success of the negotiations any business falling within the scope of this Agreement may be entertained and negotiations entered upon by either of the lenders alone with or without notice to the other lenders and should it appear in the course of such negotiations that the conditions imposed upon the business preclude joint negotiations and/or joint signatures by the lenders in terms of this agreement the negotiating party may conclude the negotiations and sign the agreement alone but upon the terms of the other lenders being entitled to all rights or participation under this Agreement other than those involving or arising from joint negotiation and joint signature but it is understood that all the lenders will use their best endeavours to obtain the joint signatures to any contract wherever possible except where for any reasons this is found to be impracticable when the party signing the contract shall by the insertion of a special clause or execution of a separate declaration of trust or otherwise ensure to the other lenders the same rights as regards the taking over the issue and service of the loan which it has obtained under the contract for itself and also the authority required for obtaining official quotations in the respective markets of the said other parties.

6.—ALL contracts shall so far as possible be made so as not to impose joint liability

on the lenders but each of the parties to the said contracts shall severally liquidate its own engagements and liabilities towards the party of the other side in China. The parties to the said contracts will so far as possible come to an understanding with regard to the realisation of the operations, but so that such realisation in whatever manner this may take place shall be for the separate benefit of each of the lenders as regards their respective participations therein.

7.—IN the event of either of the lenders declining a participation in any business proposed either at the outset or at any time during the course of the negotiations the other lenders shall have the option of taking up and carrying out the business either jointly or if only one takes up the business separately on their or its respective accounts without prejudice to the provisions of this Agreement.

8.—THE lenders will endeavour to secure in their respective markets a successful issue of any loan the subject-matter of contracts entered into with them jointly or in which they may be jointly interested.

9.—ANY participation given in its own market by any one of the lenders shall be for its own account only but any participations given by and in the mutual interest of all the lenders who may be parties to or interested in any contract to any banks or banking firms outside of England, France and Germany, respectively, shall be borne in equal shares by the parties interested.

10.—ALL offers shall be made to the Chinese Authorities and loans accepted on terms of control which involve as a minimum:

(A) The appointment of Engineers in Chief to be approved by the lenders or lender taking a participation in the business and the Chinese to be required to make appointments approved by such lenders or lender alternately according to the order of the parties to this Agreement except where the interest of any other group can be shown to predominate and in that case the Engineer shall be appointed by that group.

(B) Until actually required for construction proceeds of Loans to remain under the control of such lenders on terms not less favourable to the lenders than are contained in the Hukuang Loan Agreement initialled Sixth June, One thousand nine hundred and nine, and in the corresponding official despatch.

(C) Provision for proper account keeping and financial control under the direction of a Chief Accountant to be approved by such lenders or lender.

11.—THE orders for materials required for any railway as far as possible shall be equally divided between the lenders or lender participating and the commission receivable from the Chinese on such purchases after provision for the expenses of earning such commission is to be shared between the lenders or lender participating equally or as may be arranged.

12.—THE Central Company consents to be bound by the terms of this Agreement to the extent of giving effect thereto by granting to the German Company one-third interest in all loans for railway purposes obtained by it in connection with any part of the Chinese Empire north of the Yangtse River and the German Company agrees to grant to the Central Company two-thirds interest in any loans for railway purposes secured by the German Company in the said area, and the granting of such interest to the Central Company is hereby accepted by the Corporation and the French Bank as in satisfaction of all rights under this Agreement to participation in such loans. The Central Company not being comprised in the lenders as per Article 3 shall in their negotiations with the Chinese Authorities nevertheless be bound by Clause 10 of the present Agreement.

13.—It is distinctly understood that by the foregoing Articles 3 and 12 the German Company shall participate in any business of the kind defined in Article 2 of this Agreement to the extent of one-third share.

14.—Save as herein provided and as provided in an Agreement between the Hong Kong and Shanghai Banking Corporation the Deutsch-Asiatische Bank and the Banque de l'Indo-Chine proposed to be entered into immediately after this Agreement no business of the kind falling within the scope of this Agreement shall be concluded or entered into either directly or indirectly by any of the parties hereto or by any of those whom they respectively represent without the consent of the others.

15.—THE present Agreement shall remain in force until the Thirty-first December, One thousand nine hundred and twelve, and unless determined on that day by twelve months' previous notice given by any one of the parties to the others then until six months' notice shall be given by any one of the parties such notice to expire on the Thirtieth June or Thirty-first December in any year. Provided nevertheless that if during the continuance of the present Agreement the Agreement of the Thirtieth June, One thousand eight hundred and ninety-eight, made between the Corporation and the Hong Kong and Shanghai Banking Corporation the terms of which have been communicated to the other parties hereto shall be determined by that Bank in pursuance of the power therein contained then the present Agreement shall forthwith upon such determination also cease and determine. Notwithstanding the termination of the present Agreement all contracts

made hereunder shall continue in force for their due fulfilment until completely carried out.

IN WITNESS whereof the duly authorised representatives of the respective parties hereto have set their hands the day and year first above written.

FIRST SCHEDULE.

Banque de l'Indo-Chine,	Paris.
Banque de Paris et des Pays-Bas,	"
Comptoir National d'Escompte de Paris,	"
Crédit Lyonnais,	
Société Générale pour favoriser le developpement du Commerce et de l'Industrie en France,	Paris.
Société Générale de Crédit Industriel & Commercial,	"
Banque de l'Union Parisienne.	
Banque Française pour le Commerce et l'Industrie	

SECOND SCHEDULE.

Direction der Disconto-Gesellschaft,	Berlin.
S. Bleichröder,	"
Deutsche Bank,	"
Berliner Handels-Gesellschaft,	"
Bank für Handel & Industrie,	"
Mendelssohn & Co.,	"
Dresdner Bank,	"
A. Schaaffhausen'scher Bankverein,	"
Nationalbank für Deutschland,	"
Deutsch-Asiatische Bank,	Shanghai.
Jacob S. H. Stern,	Frankfurt a/M.
Sal. Oppenheim, jr. & Cie,	Köln.
Norddeutsche Bank in Hamburg,	Hamburg.
L. Behrens & Söhne,	"
Bayerische Hypotheken-und Wechselbank,	München.

For and on behalf of THE BRITISH AND CHINESE CORPORATION, LIMITED,
W. KESWICK. C. S. ADDIS.
For and on behalf of CHINESE CENTRAL RAILWAYS, LIMITED,
CARL MEYER. G. JAMIESON.
For and on behalf of THE BANQUE DE L'INDO-CHINE,
ULLMANN. ST. SIMON.
For and on behalf of THE DEUTSCH-CHINESISCHE EISENBAHN GESELLSCHAFT m.b.H.,
FR. URBIG. REHDERS.

NUMBER 1911/1.

JAPAN (Yokohama Specie Bank) AND CHINA

Agreement for the Imperial Chinese Government five per cent railway loan of the 3rd year of Hsüan T'ung (1911)—March 24, 1911.*

WHEREAS the Board of Posts and Communications of the Imperial Government of China has, for the purpose of redeeming a loan item which has been contracted for and in connection with the Government Railway and is due to

* Text as printed in *Wang*, p. 515.

In connection with this agreement see also the Board of Posts and Communications Loan, and the seven per cent Peking-Hankow Railway redemption Loan, of October 8, 1908 (Nos. 1908/12, and 1908/13, *ante*).

another department of the Government, decided to raise a Gold Loan for an amount of ten million yen (Y10,000,000), this Agreement is now made at Peking on this twenty-fourth day of the second month of the third year of Hsuan Tung, corresponding to the twenty-fourth day of the third month of the forty fourth year of Meiji (March 24, 1911), between

THE BOARD OF POSTS AND COMMUNICATIONS, hereinafter called the BOARD, representing the Imperial Government of China, of the one part and

THE YOKOHAMA SPECIE BANK, LIMITED, hereinafter called the BANK, of the other part.

ARTICLE 1.—The Imperial Government of China hereby authorises the Bank to issue a Five Per Cent. (5%) Gold Loan for an amount of Ten Million Yen (Y10,000,000).

The Loan shall be of the date on which the same is issued to the public and shall be called "The Imperial Chinese Government Five Per Cent. (5%) Railway Loan of the Third Year of Hsuan Tung".

ARTICLE 2.—The price of the bonds agreed upon is ninety five per cent (95%) of the nominal face value, that is to say, the Imperial Government of China shall receive ninety five Yen (Y95) for each one hundred Yen (Y100) bond, and at the time of the repayment of the Loan, which will be made according to the schedule attached to this Agreement, the bondholders shall receive the face value of the bonds in full, that is to say, one hundred yen for each bond.

ARTICLE 3.—The rate of interest for the Loan shall be five per cent (5%) per annum on the nominal principal, that is to say, five yen (Y5) per every one hundred yen (Y100) face value, and the interest shall be paid to the bondholders half yearly through the Bank. The interest shall run from the date on which amounts of the proceeds of the Loan shall have been placed to the credit account of the Board with and in the Bank and the same notified to the Board, and shall be paid by the Imperial Government of China, in the first place, out of the revenue of the Peking-Hankow Railway (after deducting the amounts required for payment of the principal and interest of the Chinese Imperial Five Per Cent. Gold Loan of 1908 and of the Peking-Hankow Railway Redemption Loan of the same year),† but should it be found that the above revenue is not sufficient to meet the amount required, then out of such revenue as the Imperial Government of China may deem fit to use for the purpose. The said payment shall be made to the Bank in half yearly instalments according to the amounts specified in the Schedule attached to this Agreement, and ten days before their due dates.

The terms mentioned herein and elsewhere in this Agreement shall be calculated according to the Solar Calendar.

ARTICLE 4.—The term of the Loan shall be twenty five (25) years. Repayment of the principal shall commence, by annual drawings, after the expiry of ten years from the date of the Loan and shall be made by yearly amortisation to the Bank, by the Imperial Government of China, in the first place, out of the revenue of the Peking-Hankow Railway (after deducting the amounts required for payment of the principal and interest of the Chinese Imperial Five

† Nos. 1908/12 and 1908/13, *ante*.

Per Cent. Gold Loan of 1908 and of the Peking-Hankow Railway Redemption Loan of the same year), but should it be found that the above revenue is not sufficient to meet the amount required, then out of such revenué as the Imperial Government of China may deem fit to use for the purpose, according to the amounts specified in the Schedule attached to this Agreement, and ten days before their due dates.

ARTICLE 5.—If, at any time after the lapse of ten (10) years from the date of the issue of this Loan, the Imperial Government of China should desire to redeem the whole outstanding amount of the Loan, or any part thereof, not yet due for repayment according to the schedule of repayment hereto attached, they may do so until the end of the twentieth year by payment of a premium of two and one half per cent (2½%) on the face value of the bonds, that is to say, by payment of one hundred and two and a half yen (Y102½) for each one hundred yen (Y100) bond, and after the twentieth year at par, but in each and every case of such extra redemption, the Imperial Government of China through the Board shall give six (6) months prior notice to the Bank, and each redemption shall be effected by additional drawings of bonds to take place on the date of an ordinary drawing.

ARTICLE 6.—The Bank having [been?] appointed Agent for the service of the Loan, the payments due for amortisation and interest, referred to in Articles 3 and 4, shall be made in accordance with the amounts of the Schedule attached to this Agreement as fixed by Articles 3 and 4 to the Bank, by the Board, who shall hand to the said Bank in Shanghai or in Tientsin funds in Shanghai or in Tientsin Sycee or in new national currency after its circulation, sufficient to meet such payments in Gold in Japan, exchange for which shall be settled with the said Bank on the basis of exchange rate of the same day, the Board having, however, the option of settling exchange with the Bank at any date or dates within six (6) months previous to any due date for the payment of interest and the repayment of principal. These payments may, however, be made in gold, if the Imperial Government of China should happen to have gold funds "bona fide" at their disposal in Japan, Europe or/and America, not remitted from China for the purpose, and desire so to use them.

In reimbursement of the expenses connected with the payment of interest and the repayment of principal of the Loan, the Bank will receive a commission of two and a half yen (Y2½) per every one thousand yen (Y1,000), or two and one half per mill (2½0/00), on the annual Loan service.

ARTICLE 7.—The Imperial Government of China hereby engages that the interest and principal of this Loan shall duly be paid in full, and should the revenue of the Peking-Hankow Railway not be sufficient to provide for the due and full payment of interest and repayment of principal, the Board shall memorialise the Throne and the Imperial Government of China will thereupon make arrangement to ensure that the amount of deficiency shall be met from other sources and handed over to the Bank on the date upon which funds are required, to complete full payment of interest and repayment of principal.

ARTICLE 8.—This Loan is secured by the first charge, free from all encumbrances, upon the revenue of the Board of Finance (Tuchi Pu) under

the item of the "Tribute-Grain Conversion Tax" of the Province of Kiangsu in the Empire of China, to the amount of one million Kuping Taels (K. P. Tls. 1,000,000).

In the event of default of payment of instalment of the principal and/or interest of this Loan on due date, the Imperial Government of China will instruct the proper authorities in control of the said revenue to hand it over to the Bank in the interests of bondholders.

It is agreed that so long as this Loan or any part thereof shall remain unredeemed, the same shall have priority, both as regards principal and interest, over all future loans, charges and/or mortgages charged on the above mentioned revenue, and it is further agreed that any and all future loans, charges and/or mortgages on the said revenue shall be made subject to this Loan, and it shall be so expressed in every agreement for such future loan, charge and/or mortgage, and that previous to conclusion of any such agreement express notice thereof shall be given to the Bank.

ARTICLE 9.—The Bank is hereby authorised to issue to the subscribers to the Loan bonds for the total amount of the Loan. The form of the bonds shall be settled by the Bank in consultation with the Chinese Minister in Tokyo. The Bonds shall be engraved in Japanese and Chinese or in Chinese, Japanese and English according as found convenient; they shall, besides bearing facsimile of the signature of the President of the Board and of his seal of Office, also bear facsimile of the signature of the Chinese Minister in Tokyo and of his seal of Office, latter particularly as a proof that the issue and sale of the Bonds are duly authorised by and binding upon, the Imperial Government of China, and the representatives of the Bank in Japan shall countersign the Bonds as agents for the issue of the loan.

In the event of bonds issued for this Loan being lost, stolen or destroyed, the Bank shall thereupon immediately notify the Board and the Chinese Minister in Tokyo, who shall authorise the Bank to insert advertisement in the public news-papers notifying that payment of the same has been stopped and to take such other steps as may appear advisable or necessary according to the laws and customs of the country concerned.

All expenses to be incurred under this article shall be borne by the Bank.

ARTICLE 10.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts during the currency of this loan.

ARTICLE 11.—All details necessary for the Prospectus or connected with payment of the interest and repayment of the principal of this loan, not herein explicitly provided for, shall be left to the arrangement of the Bank in consultation with the Chinese Minister in Tokyo.

The Bank is hereby authorised to issue the Prospectus of the loan as soon as possible after the signature of this Agreement, and the Imperial Government of China will instruct the Chinese Minister in Tokyo to sign the Prospectus of the Loan, if deemed necessary, and to co-operate with the Bank in any matters requiring conjoint action.

ARTICLE 12.—The Loan shall be issued by the Bank to the Public

in one series as soon as possible after the signature of this Agreement, and after issue of the Loan, amounts of the proceeds of the Loan received shall be notified to the Board, and shall be placed to the credit account of the Board with and in the Bank to the disposal of the Board.

The above funds may be transferred, at the request of the Board from time to time, either to China or any other country or countries, or may be deposited temporarily in Japan to earn interest, such transactions being always effected through the Bank.

ARTICLE 13.—The Bank agrees to advance to the Board within one month after and from the date of signing this Agreement a sum not exceeding two million yen (Y2,000,000), for the service of which interest at the rate of six per cent (6%) per annum shall be paid commencing from the date of such advance, and it is further agreed and understood that repayment of the sum so advanced with the interest accrued thereon shall be made in full and at once out of the proceeds of the first instalment of subscriptions to this Loan.

All transactions connected with transferring, depositing, or disposal of this fund shall be done according to the second clause of Article 12 of this Agreement.

ARTICLE 14.—This Agreement is signed by the President of the Board of Posts and Communications under the authority of an Imperial Edict, dated the twenty-third day of the second month of the third year of Hsuan Tung, corresponding to the twenty-third day of the third month of the forty fourth year of Meiji (March 23, 1911), which will be officially communicated by the Waiwupu to the Minister for Japan in Peking.

ARTICLE 15.—Five sets of this Agreement are executed in English, Chinese and Japanese, three sets to be retained by the Imperial Government of China and two by the Bank. In the event of any doubt arising as to the interpretation of the contract the English text shall rule.

SIGNED AT PEKING by the contracting parties this twenty-fourth day of the second month of the third year of Hsuan Tung corresponding to the twenty-fourth day of the third month of the Forty-fourth Year of Meiji (March 24th, 1911).

[Chinese Signature & Seal]
[Japanese Signature & Seal]

SCHEDULE OF PAYMENTS OF INTEREST AND REPAYMENTS OF PRINCIPAL.

Years	Principal still Outstanding	Interest	Principal Repaid	Total Principal and Outstanding
	Y	Y	Y	Y
1	10,000,000.00	500,000.00		500,000.00
2	10,000,000.00	500,000.00		500,000.00
3	10,000,000.00	500,000.00		500,000.00
4	10,000,000.00	500,000.00		500,000.00
5	10,000,000.00	500,000.00		500,000.00
6	10,000,000.00	500,000.00		500,000.00
7	10,000,000.00	500,000.00		500,000.00
8	10,000,000.00	500,000.00		500,000.00
9	10,000,000.00	500,000.00		500,000.00
10	10,000,000.00	500,000.00		500,000.00
11	9,340,000.00	500,000.00	660,000.00	1,160,000.00
12	8,680,000.00	467,000.00	660,000.00	1,127,000.00
13	8,020,000.00	434,000.00	660,000.00	1,094,000.00
14	7,360,000.00	401,000.00	660,000.00	1,061,000.00
15	6,700,000.00	368,000.00	660,000.00	1,028,000.00
16	6,040,000.00	335,000.00	660,000.00	995,000.00
17	5,380,000.00	302,000.00	660,000.00	962,000.00
18	4,720,000.00	269,000.00	660,000.00	929,000.00
19	4,060,000.00	236,000.00	660,000.00	896,000.00
20	3,400,000.00	203,000.00	660,000.00	863,000.00
21	2,740,000.00	170,000.00	660,000.00	830,000.00
22	2,080,000.00	137,000.00	660,000.00	797,000.00
23	1,420,000.00	104,000.00	660,000.00	764,000.00
24	760,000.00	71,000.00	660,000.00	731,000.00
25	——	38,000.00	760,000.00	798,000.00
		9,035,000.00	10,000,000.00	19,035,000.00

NUMBER 1911/2.

FRANCE (Banque de l'Indo-Chine), GERMANY (Deutsch-Asiatische Bank), GREAT BRITAIN (Hongkong & Shanghai Banking Corporation), UNITED STATES (American Group) AND CHINA.

Chinese currency reform and industrial development loan Agreement.—April 15, 1911.*

Agreement made between the Board of Finance, acting under imperial edict on behalf of the Imperial Chinese Government, of the one part, and Messrs. J. P. Morgan & Co., Messrs. Kuhn, Loeb & Co., the First National Bank, and the National City Bank, all of New York, constituting the American group, the Hongkong & Shanghai Banking Corporation, the Deutsch-Asiatische Bank, the Banque de l'Indo-Chine, hereinafter called the "banks," of the other part, witnesseth, as follows:

Whereas the Imperial Chinese Government desiring to reform, and to render uniform its currency system in accordance with a program which has been prepared, and to undertake certain industrial enterprises in Manchuria, proposes to negotiate a loan for these purposes and to evidence the same by the issue of Imperial Chinese Government sinking fund gold bonds, hereinafter called the "bonds," in an aggregate principal amount not exceeding ten million pounds sterling (£10,000,000) in manner and form as hereinafter set forth; and

Whereas the preliminary agreement providing for the negotiation of this final agreement for the loan for the purposes above mentioned was duly signed by the Board of Finance with the American group at Peking on the twenty-fifth day of the ninth moon of the second year of Hsuan T'ung, being the 27th day of October, 1910, western calendar, and was subsequently ratified by imperial edict; and

Whereas the American group being now associated with the Hongkong & Shanghai Banking Corporation, the Deutsch-Asiatische Bank, and the Banque de l'Indo-Chine, the Imperial Chinese Government has consented that these banks shall, with the American group, participate in the issue of the loan hereunder; therefore it is agreed as follows:

ARTICLE I.—The preliminary agreement hereinbefore mentioned shall be considered binding only as interpreted by this agreement.

ARTICLE II.—The Imperial Chinese Government authorizes the banks to issue a 5 per cent sinking fund gold loan for an aggregate amount of ten million pounds sterling. The loan shall be of the date on which the bonds are issued to the public, and shall be called the Imperial Chinese Government 5 per cent currency reform and industrial development sinking fund gold loan of 1911.

ARTICLE III.—The proceeds of the loan shall be used and applied as hereinafter determined, for the following purposes:

* Text as printed by the Department of State. Printed also in *China Year Book*, 1912, p. 288. See Note to this document, *post*, p. 851.

(*a*) To provide funds for the reform of, and to render uniform, the Imperial Chinese currency system.

(*b*) To provide funds for the promotion and extension of industrial enterprises in the three Manchurian Provinces.

ARTICLE IV.—This loan shall constitute a direct liability and obligation of the Imperial Chinese Government, which hereby pledges its good faith and credit for the punctual payment of the principal and interest of the loan and for the performance of all the undertakings on its part herein assumed.

ARTICLE V.—All advances made under the terms of sections 4, 5, and 6 of Article VIII hereunder and the payments of interests and the repayments of principal of this loan, and all other amounts required for, or incident to, the service of the loan, shall be and hereby are made a first charge on the following revenues:

(*a*) Duties on tobacco and spirits in the three Manchurian Provinces, amounting to one million Kuping taels (K. P. tls. 1,000,000) per annum.

(*b*) Production tax in the three Manchurian Provinces, amounting to seven hundred thousand Kuping taels (K. P. tls. 700,000) per annum.

(*c*) Consumption tax in the three Manchurian Provinces, amounting to eight hundred thousand Kuping taels (K. P. tls. 800,000) per annum.

(*d*) Newly added surtax upon salt of all the Provinces of China (authorized by imperial edict in the fifth moon of the thirty-fourth year of His Imperial Majesty Kuang Hsü), amounting to two million five hundred thousand Kuping taels (K. P. tls. 2,500,000) per annum.

The revenues above pledged amount to five million Kuping taels (K. P. tls. 5,000,000) per annum.

2. The above provincial revenues are hereby declared to be free from all other loans, liens, charges or mortgages.

3. Should the above mentioned revenues be insufficient to meet the payments of interest and repayments of principal and all other charges on due dates, the Imperial Chinese Government will, first from Manchurian and then, if necessary, from other sources, supply the balance required to meet such payments.

4. So long as the principal and interest of this loan and all other charges are regularly paid there shall be no interference with the revenues herein pledged, but if principal and/or interest be in default at due date, then, after a reasonable period of grace, the revenues above pledged, or such part thereof as may be sufficient to provide and pay the amounts stated shall forthwith be transferred to, and shall be administered by, the Imperial Maritime Customs for the account and in the interest of the bondholders.

5. So long as this loan shall remain unredeemed it shall have priority, both as regards principal and interest, by way of a lien or charge upon the above revenues over all future loans, charges or mortgages which may be charged on the aforesaid revenues. No loan, mortgage or other charge shall be raised or created which shall take precedence of, or be on an equality with, this loan, or which shall in any manner lessen or impair its security charged upon the aforesaid revenues; and any future loan, charge or mortgage charged on the said provincial revenues, shall be made subject to this loan, and it shall

be so expressed in every agreement for every such future loan, charge or mortgage.

6. In the event of the Imperial Chinese Government, during the currency of this loan, entering upon definite arrangements for the revision of the customs tariff, accompanied by stipulations for the decrease or abolition of likin, it is hereby agreed on the one hand that such revision shall not be barred by the fact that this loan is secured by the above-named revenues, and on the other hand that the revenues required to provide the security of this loan shall neither be abolished nor decreased, except by previous arrangement with the banks and then only in so far as an equivalent satisfactory to the banks is substituted therefor in the shape of a first lien or charge upon other revenues consequent upon such revision.

ARTICLE VI.—The banks are authorized to issue to the subscribers to the loan, gold bonds for the total amount of the loan for such amounts as shall be determined by the banks. The form and language of the bonds shall be settled by the banks in consultation with the Board of Finance or the Imperial Chinese ministers in Washington, London, Berlin or Paris.

2. The bonds shall be printed and/or engraved and shall bear the facsimile of the signature of the president of the Imperial Chinese Board of Finance, and of his seal of office, in order to dispense with the necessity of his signing them all in person, and the Imperial Chinese minister in Washington and/or London and /or Berlin, and/or Paris at the option of the banks, shall, previous to the issue of the bonds, put his seal upon each bond, with a facsimile of his signature as a proof that the issue and sale of the bonds are duly authorized by, and binding upon, the Imperial Chinese Government.

3. The representatives of the banks in New York, London, Berlin and Paris, as the case may be, shall countersign the bonds as agents for the issue of the loan.

ARTICLE VII.—All details necessary for the prospectus of the loan and connected with the payment of interest and repayment of principal of the loan, and with the withdrawing of bonds for redemption, not herein explicitly provided for, shall be left to the arrangement of the banks in consultation with the Imperial Chinese ministers in Washington, London, Berlin and Paris.

2. The banks are hereby authorized to issue the prospectus of the loan as soon as possible after the fulfillment of the conditions in Article VIII hereunder made precedent to the issue of the loan, and the Imperial Chinese Government will instruct the Imperial Chinese ministers in Washington, London, Berlin and Paris to cooperate with the banks in any matters requiring conjoint action, and to sign the prospectus of the loan.

ARTICLE VIII.—On the date of the signature of this agreement the Board of Finance shall hand to the banks:—

(*a*) "The regulations for the unification of the currency on a silver basis," authorized by imperial edict, hereinafter called the program of currency reform.

(*b*) A statement showing in what amounts the proceeds of the loan are to

be applied to the various expenditures incident to the operation of the said program.

(*c*) A statement specifying the nature of the proposed enterprises in Manchuria and showing in what amounts the allotted portion of the proceeds of this loan is to be applied thereto.

2. The program and the two statements above referred to shall be handed to the banks on the date of the signature of this agreement. The banks shall be given a period not exceeding six months from the said date for the consideration and planning of all matters involved and they shall issue this loan to the public as soon as possible after they shall have notified the Board of Finance that they will make the said program and statements the basis for the issue of bonds hereunder.

3. The price of the bonds to the Imperial Chinese Government shall be ninety-five per cent (95%) of their nominal value. Subscriptions will be invited by the banks in China, the United States and Europe on equal conditions, preference being given to the application of the Imperial Chinese Government provided such application be made to the banks not less than four days before the issue of the prospectus to the public. Seven days' notice of the issue of the prospectus will be given by the banks to the Board of Finance.

4. In the event of the Imperial Chinese Government requiring funds immediately for the commencement of any of the undertakings contemplated for Manchuria the banks agree upon the execution of this agreement and so soon as they shall have been furnished with a statement satisfactory to themselves of the nature of such undertaking or undertakings and the amounts to be applied thereto, to hold in America and Europe at the disposal of the Imperial Chinese Government the sum of one million pounds sterling (£1,000,000), and to advance the same, or such portion thereof as may be required, against the order of the Board of Finance.

5. The banks further engage that so soon as they shall have handed to the Board of Finance the notification referred to in section 2 of this article, and prior to the issue of this loan to the public, to hold in America and Europe at the disposal of the Imperial Chinese Government a further sum of one million pounds sterling (£1,000,000), which amount, or such portion thereof as may be required, may be withdrawn for preliminary expenses in connection with currency reform by orders of the Board of Finance as provided by section 5 of Article IX hereunder.

6. The above advances to the aggregate of two million pounds sterling (£2,000,000), or such portion or portions thereof as may, from time to time, have been availed of by the Imperial Chinese Government, shall bear interest at the rate of six per cent (6%) per annum from the date on which such several sums may have been withdrawn by the Board of Finance from the banks, and these advances shall be repaid to the banks, with accrued interest from the first proceeds of this loan when issued, or in any case within eighteen months from the signature of this agreement unless otherwise mutually arranged between the Board of Finance and the banks.

ARTICLE IX.—The net proceeds of the loan shall be placed to the credit of

accounts to be designated respectively as "The Chinese Government Currency Reform Account" and "The Chinese Government Manchurian Development Account" with the American group in New York or such bank or banks in China as from time to time shall be designated by the American group, the International Banking Corporation being now so designated; and with the Hongkong & Shanghai Banking Corporation, the Deutsch-Asiatische Bank and the Banque de l'Indo-Chine, in China, London, Berlin or Paris, as the case may be Payments of the loan proceeds into the credit of these accounts shall be made in the proportions fixed respectively by the statement of expenditures for currency reform and the statement of Manchurian expenditures provided for in Article VIII, section 1, above, in instalments and on dates conforming to the conditions allowed to the subscribers to the loan, and the sums so credited shall be held by the banks above named subject to the order of the Board of Finance.

2. Transfers of loan funds to China in amounts conforming to the Imperial Chinese Government's requirements as specified in the statements of currency reform and Manchurian expenditures respectively, but not exceeding a maximum of three hundred thousand pounds sterling (£300,000) transferred in any one week, will be made through the Shanghai branches of the several banks named in section 1 of this article by the Board of Finance:—and if such transfer be made through more than one of the several banks exchange therefor shall be settled with the transferring banks on the same day. Funds so transferred shall be held by the transferring banks in Shanghai until required to be withdrawn for the purposes specified in the statements of currency reform and Manchurian expenditures, respectively.

3. The banks agree to pay interest upon the funds held by them in America and Europe at the rate of 3 per cent per annum and upon the funds temporarily held by them in China at the banks' rates in Shanghai for current accounts.

4. The Board of Finance shall, in accordance with the Imperial Chinese Government's requirements, as specified in the statements of currency reform and Manchurian expenditures, respectively, make transfers from the loan funds held by the banks in China, to the credit of a "currency reform account" and/or a "Manchurian development account" with the Shanghai and/or Peking branches of such Chinese bank or banks as the Board of Finance may, from time to time, designate to be its agent or agents for financing the operations contemplated under this agreement.

5. Orders on the banks for such transfers of loan funds held by the banks in China to the Shanghai and/or Peking branches of the designated Chinese bank or banks, shall be signed by the Board of Finance and shall be handed to the banks in Shanghai or Peking three days before the transfers are to be made. Such orders shall be of a form to be stipulated in the statement of expenditures for currency reform and/or the statement of Manchurian expenditures referred to in Article VIII, section 1 above, and shall specify to what item or items of such expenditures the transferred funds are to be applied. Such orders being found correct the banks shall not be entitled to delay the transfer desired and the sum requisitioned shall be immediately transferred to the credit of the "Currency

reform account" and/or the "Manchurian development account" with the designated Chinese bank or banks.

6. In case the Board of Finance should desire to withdraw or transfer funds held by the banks in America or Europe to make gold payments abroad for expenditures contemplated under the statement of expenditures for currency reform and/or the statement of Manchurian expenditures, orders of the form specified in section 5 above shall be handed to the bank or banks concerned in Shanghai or Peking five days before such payments or transfers are to be made and the orders being found correct the bank or banks concerned shall at the expense of the Board of Finance, by telegraph advise the bank or banks concerned in America or Europe, as the case may be, to make the payments or transfers thus requisitioned.

7. Transfers of loan funds from the banks in America and Europe to China, and transfers from the banks in China to the designated Chinese bank or banks shall be made as nearly as possible in equal amounts. In the event of equal transfers being found to be impracticable, however, a mutually satisfactory procedure for making the transfers above referred to shall be aranged by the Board of Finance with the banks.

ARTICLE X.—The Imperial Chinese Government may at its discretion, instruct the banks to make on its behalf payments in gold abroad from the proceeds of this loan held by them in America and Europe, up to an amount not exceeding two million five hundred thousand pounds sterling (£2,500,000) to meet its obligations due under the terms of the protocol of September 7, 1901.† These disbursements in gold abroad shall be made upon the payment in Shanghai to the credit of the "Chinese Government currency reform account" and/or the "Chinese Government Manchurian development account" with the bank or banks concerned, of funds in Shanghai sycee equivalent, at the average indemnity rate of exchange of the preceding month, to the amounts in gold so released. Funds so credited shall be held by the bank or banks concerned in Shanghai until withdrawn for the purposes specified in the statements of currency reform and Manchurian expenditures respectively, as provided in sections 4 and 5 of Article IX above.

ARTICLE XI.—Desiring to assure the banks, in the interests of the bondholders, that the loan funds are being expended for the purposes contemplated under this agreement, the Board of Finance engages, until such time as the proceeds of the loan shall have been expended in accordance with the statements of currency reform and Manchurian expenditures, to hand to the banks not later than thirty days after the expiration of each quarterly period Chinese calendar:—

(*a*) A quarterly report in Chinese and English showing the disbursements incident to the inauguration and operation of the Imperial Chinese Government's program of currency reform.

(*b*) A quarterly report in Chinese and English showing the disbursements for the promotion and extension of Manchurian industry.

Such quarterly reports shall be of a form to be specified in the statements of currency reform and Manchurian expenditures.

In addition to such quarterly reports the Board of Finance will also hand to

† No. 1901/3, *ante*.

the banks a copy of the annual report which is to be published for the information of the Imperial National Assembly or the Imperial Chinese Parliament.

ARTICLE XII.—The rate of interest for the loan shall be five per cent (5%) per annum on the nominal principal and shall be paid to the bondholders half-yearly as calculated from the date on which the loan is issued to the public and according to the amounts specified in the schedule attached to this agreement.

2. The term of this loan and of the bonds evidencing the same shall be forty-five years. Repayment of principal shall commence with the eleventh year after the date of the loan and shall be made by yearly amortization in half-yearly payments according to the amounts specified in the schedule attached to this agreement.

3. The Board of Finance shall, twelve days before their due dates, hand to the bank or banks designated from time to time by the American group, the International Banking Corporation being now so designated, and to the Hongkong & Shanghai Banking Corporation, the Deutsch-Asiatische Bank and the Banque de l'Indo-Chine in Shanghai, in equal shares, funds in Shanghai sycee and/or coin of the national currency (so soon as the said currency shall have been effectively established) sufficient to meet each such half-yearly payment of principal and/or interest in gold, in America or Europe.

4. The rate of exchange for such transactions shall be settled simultaneously with the banks aforementioned by the Board of Finance either on the day on which such payments in Shanghai sycee and/or coin of the national currency are to be made or, at the option of the Board of Finance, on any date or dates within six months previous to any due date for the payment of interest or the repayment of principal.

5. Payments may be made in gold twelve days before their due dates to the banks in the United States of America or Europe if the Imperial Chinese Government should happen to have gold funds bona fide at its disposal in the United States of America or in Europe, not remitted from China for the purpose, and desire so to use them.

6. In reimbursement of expenses connected with the payment of interest and the repayment of principal of this loan the banks shall receive a commission of one-fourth of one per cent on the annual loan service.

ARTICLE XIII.—If at any time after the lapse of fifteen years from the date of the loan the Government should desire to redeem the whole outstanding amount of the loan or any part of it not yet due for repayment in accordance with the schedule of repayments hereto attached, it may do so up to the end of the twenty-fifth year by payment of a premium of 2½ per cent on the face value of the bonds (that is to say, by the payment of £102 10s for each £100 bond) and after the lapse of twenty-five years without premium, but in each and every case of such extra redemption the Government will give six months' previous notice in writing to the banks and such redemption shall be effected by additional drawings of bonds to take place on the date of an ordinary drawing as provided in the prospectus of the loan.

ARTICLE XIV.—In the event of any bond or bonds issued for this loan being lost, stolen or destroyed, the group and/or bank or banks concerned may notify the

Board of Finance and the Imperial Chinese ministers in Washington, London, Berlin or Paris, as the case may be, who shall authorize the group and/or bank or banks concerned to insert an advertisement in the public newspapers stating that payment of such bond or bonds has been stopped; and to take such other steps as may appear advisable or necessary according to the laws or customs of the country concerned. Should any bond or bonds be destroyed, or should such lost or stolen bond or bonds not be recovered after a lapse of time to be fixed by the banks the Imperial Chinese ministers in Washington, London, Berlin or Paris, as the case may be, shall seal and execute a duplicate bond or duplicate bonds for a like amount and deliver the same to the group and/or bank or banks representing the owner or owners of such lost, stolen or destroyed bond or bonds, which group and/or bank or banks shall pay all expenses in connection with such delivery and execution of such duplicate bond or bonds for the account of the owner or owners of such bond or bonds.

ARTICLE XV.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts of any and every description during the currency of this loan.

ARTICLE XVI.—If the Imperial Chinese Government should desire to obtain from other than Chinese sources, funds in addition to the proceeds derived from this loan, to continue or complete the operations contemplated under this agreement, the Imperial Chinese Government shall first invite the banks to undertake a loan to provide the funds required, but should the Imperial Chinese Government fail to agree with the banks as to the terms of such supplementary loan then other financial groups may be invited to undertake the same; and should the Imperial Chinese Government decide to invite foreign capitalists to participate with Chinese interests in Manchurian business contemplated under this loan, or to be undertaken in connection therewith, the banks shall first be invited to so participate.

ARTICLE XVII.—If, before the publication of the prospectus for the issue of this loan any political or financial crisis should occur affecting the American, British, German and/or French markets and the prices of Chinese Government securities in such manner or to such a degree as in the opinion of the banks will render impossible the successful flotation and issue of this loan on the terms herein named, the banks shall be granted a period of six months from the date on which they shall have handed to the Board of Finance the notification referred to in section 2, Article VIII above, within which to issue the loan to the public. If, at the expiration of this period the markets are still unfavorable then the banks shall be entitled to ask the Imperial Chinese Government for a reasonable extension of time within which to carry out this contract. If the Imperial Chinese Government should refuse to grant the extension of time requested this contract shall become null and void, subject always to the repayment of advances as provided in section 6, Article VIII above, and the Imperial Chinese Government shall be liable for no other claims whatsoever.

ARTICLE XVIII.—The American group, the Hongkong & Shanghai Banking Corporation, the Deutsch-Asiatische Bank and the Banque de l'Indo-Chine shall take the loan in equal shares and without responsibility for each other.

ARTICLE XIX.—The American group, the Hongkong & Shanghai Banking Corporation, the Deutsch-Asiatische Bank and the Banque de l'Indo-Chine may, subject to all their obligations under this agreement, transfer or delegate all or any of their rights, powers and discretions thereunder to any American, British, German or French company, directors, or agents, with power of further transfer and subdelegation; such transfer, subtransfer, delegation or subdelegation to be subject to the approval of the Imperial Chinese Government.

ARTICLE XX.—This agreement is signed by the Board of Finance under the authority of an imperial edict dated the 17th day of the third moon of the third year of His Imperial Majesty Hsuan T'ung, corresponding to the 15th day of April, 1911, western calendar, which will be officially communicated to the ministers of the United States of America, Great Britain, Germany and France in Peking by the Wai-wu Pu.

ARTICLE XXI.—Eight sets of this agreement are executed in English and Chinese, four sets to be retained by the Imperial Chinese Government and one set by each group and/or bank. In the event of any doubt arising regarding the interpretation of this contract the English text shall rule.

Signed at Peking this 17th day of the third moon of the third year of His Imperial Majesty Hsuan T'ung, being the 15th day of April, one thousand nine hundred and eleven, western calendar.

[Signatures.]

STATEMENT OF EXPENDITURES FOR CURRENCY REFORM.

[In accordance with Article VIII (*b*).]

[Translation.]

	Taels.
The coinage of standard and subsidiary coins in the seven head and branch mints will require at least the daily use of approximately	3,333,330
The coinage of standard and subsidiary coins will require at least the monthly use of approximately	10,000,000
The coinage of standard and subsidiary coins will require at least the half-yearly use of approximately	60,000,000

Included in the above is the sum of taels 20,000,000 to be devoted to currency in Manchuria.

STATEMENT OF MANCHURIAN EXPENDITURES.

[In accordance with Article VIII (*c*).]

[Translation.]

	Taels.
For expenditures in connection with the promotion of immigration, reclamation, and pastoral enterprises, approximately	14,000,000
For expenditures in connection with forestry and other agricultural enterprises in Heilungkiang Province, approximately	4,000,000
For expenditures in connection with gold mining at Mo Ho, Kuang Yin Shan, and San Hsing, and other mining enterprises, approximately	2,000,000
For expenditures in connection with branch mints the sum of	20,000,000

approximately will be appropriated from the currency bureau.

Should the above enterprises or the amounts decided upon be found inappropriate the matter of changing the same may be taken into consideration at the time, but the principle of the promotion of industries shall be adhered to.

The Chinese Board of Finance to the Bankers.

[Translation.]

RECEIVED MAY 6, 1911.

The Representatives of the American Group, the Hongkong & Shanghai Banking Corporation, the Deutsch-Asiatische Bank, the Banque de l'Indo-Chine, Peking.

GENTLEMEN: I beg to inform you of the receipt of a letter from His Excellency Chao, the Viceroy of Manchuria, requesting that from the advance of one million pounds (£1,000,000) provided for in Article VIII, section 4, of the Imperial Chinese Government Five Per Cent Currency Reform and Industrial Development Sinking Fund Gold Loan, signed on the 17th day of the third moon (April 15, 1911) the sum of £400,000 be transferred as a first installment to meet Manchurian requirements.

A statement clearly setting forth the purposes to which the Viceroy proposes to apply these funds is herewith presented for your approval with the request that if the same is considered satisfactory the banks will, as soon as possible, deposit with the Shanghai branch of the Ta Ching Bank to the credit of the Manchurian development account the silver equivalent of the sum of £400,000, the rate of exchange for the same to be settled between the Ta Ching Bank in Shanghai and the transferring banks on the same day.

(Signed) THE BOARD OF FINANCE.

[Enclosure.]

STATEMENT OF ENTERPRISES IN MANCHURIA FOR WHICH THE FIRST INSTALLMENT OF LOAN FUNDS IS REQUIRED.

(*a*) For the repayment of funds borrowed from official sources, from various banks, and from merchants for plague prevention	£300,000
(*b*) For initial expenses in connection with agricultural enterprises:	
1. Establishment of administrative bureaus, deputies, renting premises, etc.	
2. For making surveys of agricultural lands, roads, and waterways, and for making maps, etc.	
3. For investigations into conditions and reporting thereon.	
4. For compiling reports and making translations of foreign books relating to agriculture, industries, and colonization	30,000
(*c*) For industrial experimental stations with a view to:	
1. Sugar making.	
2. Paper making.	
3. Dyeing and weaving fabrics from wild silk.	
4. Establishing distilleries.	
5. The making of materials used in house building, such as bricks, timber sawing, etc.	
6. Analyzing mining products	35,000
(*d*) For iron designing works with a view to the manufacture of agricultural and other implements, machinery, etc	30,000
(*e*) For the Chen-An cattle ranges	5,000
Grand total	£400,000

Signed and sealed by
CHAO ERH HSUAN,
Viceroy of Manchuria.

HSUAN T'UNG, 3d year, 4th moon, 5th day.

Note.

The negotiations for the currency loan were initiated by the Chinese Government with the American group, with whose representative the following preliminary agreement was concluded on October 27, 1910:

Preliminary Agreement for Currency Reform and Industrial Development Loan, October 27, 1910.

"Preliminary agreement made between the Board of Finance acting on behalf of the Imperial Chinese Government hereinafter called the Government, of the first part

"and

"Messrs. J. P. Morgan & Company, Messrs. Kuhn, Loeb & Company, the First National Bank and the National City Bank, all of New York City, constituting the American group, hereinafter called the Group, of the second part.

"Whereas the Government desiring to facilitate certain changes in the administration of Imperial and Manchurian Finance and to undertake certain Industrial Enterprises in Manchuria, proposes to create and issue Imperial Chinese Government Sinking Fund Gold Bonds, hereinafter known as the Bonds in an aggregate principal amount not exceeding fifty million dollars United States gold coin ($50,000,000) and to negotiate a loan in the manner and form to be hereafter determined.

"It is agreed as follows:

"Article I.—The government agree to issue and the group agree to offer on behalf of the government a gold loan hereinafter referred to as the loan, for an amount not exceeding fifty million dollars United States gold coin ($50,000,000) on the terms and subject to the conditions to be stated in a final agreement to be negotiated as hereinafter provided.

"Article II.—The loan shall constitute a direct liability and obligation of the Imperial Government of China which hereby pledges its good faith and credit for the punctual payment of the principal and interest of the loan.

"Article III.—The rate of interest on the loan shall be 5% per annum; the group shall take the bonds at 95 flat. The net proceeds of the loan shall be deposited with the group or its duly authorized representatives in New York or elsewhere subject to withdrawal for the requirements of the operations contemplated under the loan, and the conditions governing such deposit and withdrawal, the term of the loan, the manner and form of payment of the interest and amortization charges, also the date from when interest upon the bonds is to commence and to cease, the creation of a sinking fund and other provisions necessarily incident to the service and redemption of the loan shall be settled in a mutually satisfactory manner and stated in the final agreement.

"Article IV.—Interest and amortization payments and other expenses incident to the service of the loan shall be made the first charge upon such revenues as shall be suitable and sufficient for the purpose to be hereafter agreed upon and stated in the final agreement.

"Article V.—This preliminary agreement is subject to ratification by imperial edict, which imperial edict when issued shall be officially communicated to the American legation at Peking by the Wai Wu Pu with the request that the group enter at once upon negotiations of the final agreement with the board or the high official to be designated by the Imperial Government of China.

"Article VI.—This agreement is executed in duplicate in English and Chinese, one set to be retained by the government and the other set by the American group. In case there be any misunderstanding arising from a difference between the English and Chinese texts the matter shall be settled by a mutually satisfactory arrangement. In the event of it being impossible to come to a mutual understanding regarding the points not already settled then this preliminary agreement will be cancelled.

"Signed at Peking by the contracting parties this twenty-fifth day of the ninth moon of the second year of Hsuan T'ung, corresponding to the 27th day of October, 1910, western calendar."

Thereafter, at the instance of the American group, and upon the solicitation of the American Government, the Chinese Government consented to the participation of the British, French and German Banks, with which the American group had associated itself for the purpose of China business. The outbreak of the revolution against the Manchu Dynasty intervened before satisfactory arrangements had been completed for the flotation of the loan under the terms of the Agreement of April 15, 1911, with this "Four-Power Consortium"; and under the altered conditions resulting, the banks postponed further action on this project, in order to undertake a reorganization loan required by the newly established Republican Government. In reference to the subsequent accession of the Japanese and Russian banks to the consortium, the withdrawal of the American group, and the conclusion of the reorganization loan agreement of April 26, 1913, consult No. 1913/5, *post*.

Despite the withdrawal of the American Group in March, 1913, the American Govern-

ment has for its part maintained its interest in the project of currency reform; and on October 20, 1917, it communicated through its Legation at Peking to the Chinese Government the following statement:

"Quite apart from any individual contractual interest accruing to 'The American Group' under the Currency Loan Agreement of April 15, 1911, the Government of the United States considers that the whole history of the currency loan project—notably the appeal made to it by the Chinese Government in January, 1904, the conferences with Dr. Jenks in 1903 and 1904, and the request for a loan for the purpose of monetary reform which in 1910 the Chinese Government addressed not to any individuals but directly to the American Government—constitutes in behalf of the Government of the United States such an interest in the project as entitles it to be considered in reference to any action which the Chinese Government may contemplate with a view to carrying that project into effect. This interest has never been abandoned by the Government of the United States."

It is understood that advances totaling £400,000 have been made to the Government under this agreement. The *F. E. Review*, vol. VIII, p. 376, prints the following as the text of a letter from President Yuan to the representatives of the four banks, in regard to one such advance of Shanghai taels 1,100,000:

Letter of Agreement for Advance upon Currency Loan, March 9, 1912.

"REPUBLIC OF CHINA.

"Office of the President.

"Peking, March 9th, 1912.

"To E. G. Hillier, Esq., C. M. G., Agent, Hongkong & Shanghai Banking Corporation, Monsieur Casenave, Manager, Banque de l'Indo-Chine, H. Cordes, Esq., Deutsch-Asiatische Bank, and Willard D. Straight, Esq., Special Representative American Group.

"Gentlemen:

"I am in receipt of your letter of today's date informing me that, having obtained the sanction of your Governments to advance to the Chinese Provisional Government funds for their urgent requirements, as stated in the letter of the 2nd March addressed to you by the Acting-Minister of Finance, your Banks are now prepared to hold at the disposal of the Chinese Provisional Government, against the receipts of the Ministry of Finance, the sum of Shanghai Taels One million one hundred thousand (Shanghai Taels 1,100,000) and I note the arrangements proposed for making this sum available.

"It is understood and agreed:

"1.—That the said advance of Shanghai Taels One Million One Hundred Thousand will be treated in conjunction with the advance of Shanghai Taels 2,000,000 made in Shanghai to the Chinese Provisional Government on the 28th day of February last, and that sterling exchange for the same will be settled by the Banks in Shanghai today.

"2.—That this advance of Shanghai Taels 1,100,000 as in the case of the previous advance of Shanghai Taels 2,000,000 above referred to, will be covered by delivery to the Banks, so soon as arrangements permit, of sterling Treasury Bills bearing date the 9th day of March, 1912, and for such amounts as, after being discounted at a rate to be arranged, shall yield the sterling equivalent of the said advance, the said Treasury Bills to be secured, subject to the existing charges, upon the revenue of the Salt Gabelle.

"3.—That the Banks hold a firm option for the provision of the further monthly requirements of the Chinese Government for the months of March, April, May, June and possibly July and August which the Four Groups have already been requested to finance, against the delivery of additional sterling Treasury Bills on terms to be arranged.

"4.—That in consideration of the assistance rendered by the Groups to China in the present emergency and of their services in supporting her credit on the foreign markets, the Chinese Government assures to the Groups (provided their terms are equally advantageous with those otherwise obtainable) the firm option of undertaking the comprehensive loan for general reorganization purposes already proposed to them, to be floated as soon as possible, and to be applied in the first instance to the redemption of the sterling Treasury Bills aforesaid.

"I hereby confirm the arrangements and conditions above stated, and request you to proceed immediately in accordance therewith.

"I am, Gentlemen,

"Yours faithfully,

"(Sgd.) YUAN SHIH-KAI.
"(SEAL)"

In January, 1914, the Chinese Government promulgated a national currency law, and regulations for the enforcement thereof, of which the following translations were printed in the Peking *Daily News* of January 21, 1914:

The Law for the National Currency.—January, 1914.

ARTICLE 1.—The right of minting and issuance of national currency shall solely belong to the Government.

ARTICLE 2.—The unit of the national coins shall be called *yuan*, and the *yuan* shall contain six mace, four candareens and eight li (*kuping* weight) or 23.97795048 grammes of pure silver.

ARTICLE 3.—The different kinds of national coins are as follows:—

A. Four kinds of silver coins.
(1) 1 *yuan*.
(2) ½ "
(3) 20 cent piece.
(4) 10 " "

B. One kind of nickel coin.
(1) 5 cent piece.

C. Five kinds of copper coins.
(1) 2 cent copper piece.
(2) 1 " " "
(3) 5 *li* piece.
(4) 2 " "
(5) 1 " "

ARTICLE 4.—The value of the national coin shall be in decimal progression. One tenth of a *yuan* shall make a *chio* or a 10 cent piece. One hundredth of a *yuan* shall make 1 *fen* or cent, and one thousandth of a *yuan* shall make one *li*.

ARTICLE 5.—The weight and fineness of the coins shall be as follows:—

1.—1 *yuan*, gross weight 72 candareens with 90 per cent. silver and 10 per cent. copper.

2.—50 cent piece, gross weight 32.4 candareens, with 70 per cent silver and 30 per cent. copper.

3.—20 cent piece, gross weight 12 candareens, with 70 per cent silver and 30 per cent copper.

4.—10 cent piece, gross weight 6 candareens, with 70 per cent silver and 30 per cent copper.

5.—5 cent nickel piece, gross weight 7 candareens, with 25 per cent nickel and 75 per cent copper.

6.—2 cent copper piece, gross weight 28 candareens, with 95 per cent copper, 4 per cent pewter and 1 per cent lead.

7.—1 cent copper piece, gross weight 18 candareens, with its fineness same as 2 cent copper piece.

8.—5 *li* copper piece, gross weight 9 candareens, with its fineness same as above.

9.—2 *li* copper piece, gross weight 4.5 candareens, with its fineness same as above.

10.—1 *li* copper piece, gross weight 2.5 candareens, with its fineness same as above.

ARTICLE 6.—No restrictions shall be placed upon the use of 1 *yuan* piece. The amount of 50 cent pieces involved in one transaction shall not exceed twenty dollars. The amount of 20 cent and 10 cent pieces involved in one transaction shall not exceed five dollars. The amount of nickel or copper pieces involved in one transaction shall not exceed one dollar. This restriction shall not be applied to the collection of taxes and the exchanges in the national banks.

ARTICLE 7.—The designs of the national coins shall be promulgated by a Provisional Order.

ARTICLE 8.—The ratio of the difference between the weight of each silver coin and that of the legal tender shall not exceed 3/1000.

The ratio of the difference between the total weight of per 1000 pieces of the silver coin and the legal weight of that amount of coins shall not exceed 3/10,000.

ARTICLE 9.—The ratio of the difference between the fineness of any piece of silver coin and the legal fineness shall not exced 3/1000.

ARTICLE 10.—When on account of wear and tear, the 1 *yuan* silver piece loses one per cent of its weight, it may be exchanged at the government banks for a new dollar. When, on account of wear and tear, the 50 cent silver piece and other kinds of coins lose five per cent of the legal weight, they may be exchanged at the government banks for new coins.

ARTICLE 11.—When a coin is found to be mutilated purposely no one shall be compelled to accept it.

ARTICLE 12.—The Government consents to coin 1 *yuan* silver pieces for those who give to it silver bullion, and 6 *li* per *yuan* shall be charged as minting fee.

ARTICLE 13.—This law shall be in force on the day of its promulgation.

Regulations for the Enforcement of the Currency Law, January, 1914.

ARTICLE 1.—The National coins must be used as medium in the transaction of any financial dealing in the country. Special regulations in the Currency Regulations must also be observed.

ARTICLE 2.—The Government shall exchange the silver dollars coined by the old mints with the national coins and remint the dollars. Within a certain period, the old dollar shall possess the same value as the *yuan,* but as to the length of that period, a Provisional Order shall be issued to fix it.

ARTICLE 3.—The Government shall recall all the old silver pieces of the different denominations, old copper pieces and remint them, but within a certain fixed period, the old coins shall be allowed to be circulated at the market prices.

* If the old coins are used to pay taxes, every month all the public offices shall issue notices fixing the current rate of the coins at which the offices shall receive old coins. The offices shall take as the current rate an average of the exchange rates of the previous month. The period for the circulation of the old coins shall be fixed by a Provisional Order.

ARTICLE 5.—If taxes are remitted with silver bullion or if any person wants the Government to mint silver coins for him, in the calculation one dollar shall contain 65.4 candareens. The bullion of other fineness and weight shall be converted according to a table to be attached.

ARTICLE 6.—In the public offices where the receipts and expenditures are calculated in taels, the amount should be converted into the term of *yuan* in accordance with Article 4. At places where the receipts and disbursements consist of copper coins and cash, the public office shall report to the Ministry of Finance the actual sum of receipts and disbursements with the request for permission to convert the coins into the term of *yuan.*

ARTICLE 7.—In the collection of various revenues and taxes, Articles 5, 6 and 7 shall be observed. In the calculation, the *li* shall be the smallest of denominations. All the decimal fractions of the *li* shall be treated thus:—when the figure is 4, it shall be discarded, and when it is 5, it shall be considered as one to be added to the other integers.

ARTICLE 8.—When the debts among the people are calculated in the term of taels, they should be converted into the term of the national coin. Where the old subsidiary coins are involved, Article 6 shall be observed in the conversion into the national coins. If the sums in the deeds, contracts and promissory notes are not converted into the term of *yuan,* and if any lawsuit arises, the exchange rate on the day of the promulgation of these regulations shall be considered as a standard.

ARTICLE 9.—Within the domain of China, no one shall object to the use of the national coins.

ARTICLE 10.—If anybody disregards Article 4 of the Law for the National Currency and Article 9 of the regulations for the enforcement of the Law for the National Currency, the party concerned may bring a lawsuit against him, and when convicted, a fine from 10 dollars to 1,000 dollars shall be imposed on the offender. Any official or any member connected with the government enterprises who commits the same offence, is liable to pay a fine of from 50 to 3,000 dollars after the same procedure has been observed.

ARTICLE 11.—The area and the date for the enforcement of these regulations shall be fixed by a Provisional Order.

This law and the accompanying regulations are understood to have been approved by the interested banks as a basis for the monetary reform contemplated by the currency loan agreement. On August 10th, 1918, however, the Government promulgated, and the Ministry of Finance simultaneously communicated to the representatives of the British, French, Japanese and Russian banks, the following regulations governing the issue of gold currency notes, and rules governing the organization of the Currency Bureau (as printed in translation in the Peking *Leader* of August 13th, 1918):

Regulations Governing the Issue of Gold Currency Notes.—August 10, 1918.

ARTICLE 1.—With a view to facilitating international trade and preparing for the adoption of a currency system with a gold basis the bank or banks appointed by the Currency Bureau shall be allowed to issue gold currency notes.

ARTICLE 2.—The unit of the gold currency shall be one gold dollar which shall contain 0.752318 Kungfun of pure gold, that is, 2.01688 candareen of Kuping tael.

One tenth part of a gold dollar shall be called a "*Chao,*" one hundredth a "*fen,*" one thousandth a "*li,*" etc.

ARTICLE 3.—The denominations of the gold currency notes shall be: one dollar, five dollars, ten dollars, twenty dollars, fifty dollars and one hundred dollars.

The Government may order the bank or banks appointed by the Bureau to issue gold

* [?ARTICLE 4.]

currency notes of smaller denominations, such as five-*chao* (half a dollar) two-*chao* (one fifth of a dollar) and one-*chao* (one tenth of a dollar) and the Government Mint may be ordered to mint copper coins of one "*fen*" denomination.

ARTICLE 4.—Before the coinage of such gold dollars the holder of the gold currency notes may remit the money to other cities in this country or to foreign countries through the specified banks and after the coinage of such gold dollars, the holder of such gold currency notes may exchange them for gold coins as well as remit them to any city in the country or to any foreign country.

The gold currency notes may be exchanged at the specified banks for foreign gold coins or gold bullion. All ornaments made of pure gold shall be considered equivalent to sterling gold and they shall be valued according to the quantity of pure gold they contain.

ARTICLE 5.—The proportionate value of the gold currency notes and the national currency now in circulation will necessarily not always be the same. But it shall be made known to the public by notifications issued by the specified banks from time to time, and gold currency notes and current silver coins in circulation or silver bullion may be exchanged at the said banks at the notified value.

ARTICLE 6.—The specified banks shall have an adequate gold reserve against the amount of notes issued. This gold reserve shall either be in our national gold dollars, or gold bullion, or foreign gold coins deposited with the exchange banks in both Chinese and foreign commercial ports. The public shall be notified by the specified banks once every ten days about the amount of the gold reserve and the places where this reserve is deposited.

This gold reserve shall be subject to the inspection of the special delegates of the Currency Bureau at any time.

ARTICLE 7.—The gold currency notes may be used in public and private dealings at the proportionate value as notified from time to time by the specified banks.

The use of the gold currency notes shall not be restricted.

ARTICLE 8.—The specified banks may deposit and carry on other forms of business with the gold currency notes.

ARTICLE 9.—These Regulations shall be enforced from the date of promulgation.

The Rules Governing the Organization of the Currency Bureau, August 8, 1918.

ARTICLE 1.—The Currency Bureau shall be under the direct control of the Premier and take charge of the following affairs:

(1) Those in connection with currency.
(2) Those in connection with the issue of notes.
(3) Other matters in connection with currency.

ARTICLE 2.—The following officers shall be appointed to the Currency Bureau:

One Director-General: this post shall be held by the Minister of Finance concurrently.
One Governor: to be specially appointed.
One adviser: to be engaged.
An unlimited number of honorary advisers: to be engaged.

ARTICLE 3.—In the Currency Bureau, departments shall be established and members appointed to manage the affairs of their respective departments. But before the establishment of such departments, an Investigation Committee shall be appointed with a certain number of members, which shall be decided upon by order of the Bureau.

ARTICLE 4.—For copying documents and the management of miscellaneous affairs, clerks shall be employed in the said Bureau.

ARTICLE 5.—All the Mints, Printing Offices, Paper Factories, and the Superintendents of the Banks under the control of the Ministry of Finance shall be under the supervision and direction of the Currency Bureau.

ARTICLE 6.—The Currency Bureau may issue orders independently or, in important matters, may ask for the issuance of Cabinet orders, or it may issue jointly with the Ministry of Finance.

ARTICLE 7.—The Currency Bureau shall be established for a period of ten years.

ARTICLE 8.—The Regulations governing management of affairs in the Currency Bureau shall be drafted separately.

ARTICLE 9.—These Rules shall be enforced from the date of promulgation.

The banks have not yet exercised their option under the currency loan agreement, although the time limit fixed by Article XVII has from time to time been extended by the Chinese Government.

NUMBER 1911/3.

THE NETHERLANDS AND CHINA.

Consular convention relative to the possessions and colonies of the Netherlands.—May 8, 1911.*

Her Majesty the Queen of the Netherlands and His Majesty the Emperor of China, believing that, independent of the treaty of commerce and navigation between the Netherlands and China, it is desirable that a special convention should define the rights, duties, powers, privileges, exemptions and immunities of Chinese consular officers in the Dutch possessions or colonies, in order to conclude said convention, have named as their plenipotentiaries, to wit:

Her Majesty the Queen of the Netherlands François Beelaerts van Blokland, Esquire, Knight of the Orders of the Dutch Lion and of Orange-Nassau, invested with the third class of the first grade of the Order of the Double Dragon, her envoy extraordinary and minister plenipotentiary to His Majesty the Emperor of China;

His Majesty the Emperor of China: Lou Tseng Tsiang, invested with the first class of the second grade of the Order of the Double Dragon, Grand Cross of the Order of Orange-Nassau, of the Order of Saint Stanislas, his envoy extraordinary and minister plenipotentiary to Her Majesty the Queen of the Netherlands,

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following articles:

ARTICLE I.—The consuls-general, consuls, vice-consuls and consular agents of China shall be admitted into the ports of the Dutch possessions beyond the sea or into the Dutch colonies where reside or may reside officers of the same class of any other foreign nation.

ARTICLE 2.—The consuls-general, consuls, vice-consuls and consular agents of China shall be considered as commercial agents, protectors of the commerce of their nationals within their consular jurisdiction.

They shall reside in the ports of the Dutch possessions beyond the sea or in the Dutch colonies indicated in their commissions, and will be subject to the laws of those possessions or colonies, both civil and penal, save such exceptions as the present convention establishes in their favor.

ARTICLE 3.—Before being admitted to the exercise of their functions and enjoying all their powers, privileges, exemptions and immunities therewith connected, the consuls-general, consuls, vice-consuls and consular agents must present to the Government of Her Majesty the Queen of the Netherlands, a commission, indicating their consular jurisdiction and their place of residence.

* Translation from the French text as printed by the Netherlands Government in *Staatsblad*, 1912, No. 280. French text printed also in *Customs*, vol. II, p. 352; *Hsüan Tung Tiao Yueh*, vol. I, p. 44; *Izviestia*, 1912, vol. V, p. 67. See also Note to this document, *post*, p. 860.

The government of the possession or colony shall deliver to them, free of cost, the exequatur duly countersigned, necessary for the exercise of their functions; and upon having produced this document, the said consular officers of every grade shall be entitled to the protection of the government and to the assistance of the local authorities to insure to them the free exercise of their functions.

The Government of the Queen reserves unto itself the right to withdraw the exequatur or to have it withdrawn by the government of the possession or colony, stating the reasons for such action.

In case of the death, incapacity or absence of the consuls-general, consuls, vice-consuls and consular agents, their consular students, their chancellors or secretaries, after their official character shall have been notified to and approved by the competent authority, shall by full right be admitted to administer temporarily the affairs of the respective posts; during the entire period of this temporary incumbency, as far as their position as non-commercial foreigners may warrant, in conformity with Article 15, they shall enjoy all the rights, powers, privileges, exemptions and immunities accorded to the incumbents themselves.

ARTICLE 4.—The consuls-general, consuls, vice-consuls and consular agents are authorized to display above the outer door of their residence an escutcheon with the arms of their government, bearing the inscription: *Consulate-General,* or *Consulate,* or *Vice-Consulate* or *Consular Agency of China.*

It is well understood that these external marks may never be interpreted as conferring any right of asylum, nor as an indication that the residence and the dwellers therein may not be proceeded against by the territorial courts of justice.

ARTICLE 5.—It is understood that the archives and documents relating to consular affairs shall be protected against searches, and no authority and no magistrate may enter the archives nor seize documents nor gain possession of them in any manner and under any pretext whatever.

ARTICLE 6.—The consuls-general, consuls, vice-consuls and consular agents are not invested with any diplomatic powers.

No petition may be addressed to the Dutch Government except through the medium of the diplomatic agent accredited to The Hague.

In case of urgency, the consuls-general, consuls, vice-consuls and consular agents may have direct recourse to the governor of the colony or possession by proving the urgency and stating the reasons for which the petition might not be addressed to the subordinate authorities, or by proving that previous petitions addressed to these authorities had not been acted upon.

ARTICLE 7.—The consuls-general and consuls may appoint consular agents in the ports mentioned under Article 1.

These consular agents may be Chinese or Dutch subjects, or nationals of any other country residing, or entitled by the terms of the local laws to reside, in the port where the consular officer is appointed. These consular agents, whose appointment shall be submitted to the approval of the governor of the possession or colony, shall be provided with a commission issued by the consul under whose authority they are to exercise their functions.

The governor of the possession or colony may at any time, by notifying to the

consul-general or consul the reasons for such action, withdraw from the consular agents the approval above referred to.

ARTICLE 8.—The passport issued or certified by the consular officers in no way exempts the bearer from the obligation to be provided with all documents required by the local laws or regulations for traveling or establishing himself in the possessions or colonies, and in no way diminishes the right of the government of the possession or colony to order the removal or to prohibit therein sojourn of any individual provided with a passport.

ARTICLE 9.—All operations regarding the salvage of Chinese vessels wrecked on the coasts of the Dutch possessions or colonies shall be directed by the consuls-general, consuls, vice-consuls or consular agents of China.

The intervention of the local authorities shall take place solely to maintain order, to protect the interests of the salvors if they are not part of the wrecked crews, and to insure the execution of the regulations made for the entry and exportation of property recovered.

In the absence of and until the arrival of the consuls-general, consuls, vice-consuls or consular agents, the local authorities shall, moreover, take all necessary measures for the protection of individuals and property recovered.

It is furthermore agreed that the property recovered shall be exempt from customs duties unless it is admitted for consumption in the country.

ARTICLE 10.—The consuls-general, consuls, vice-consuls or consular agents may request the assistance of the local authorities for the arrest, detention and imprisonment of deserters of Chinese merchantmen or war vessels. To this end they shall address to the competent authorities a written request for the deserter, and if it is proven by the registers of the vessel, the enrollment list of the crew, or by any other authentic document, that the men claimed were part of the crew, the surrender of the deserters may not be refused them, unless the individual in question is a Dutch subject.

The local authorities shall be obliged to exercise all their power to cause the arrest of the deserters; and after the arrest, the latter shall be placed at the disposal of said consular officers, and they may be detained upon the request and at the expense of those claiming them, to be afterward returned on board the vessels to which they belong or sent on board another vessel of the same nation. But, if these deserters are not returned within four months, reckoned from the date of their arrest, they shall be set free and may never again be arrested for the same cause.

It is understood, however, that the surrender of the deserter who has committed a crime, violation or infraction against the law, shall be withheld until the tribunal of the possessions, colonies or of the mother-country before which the case is to be tried shall have rendered its decision and the latter have been carried out.

ARTICLE 11.—Whether of their own free will or under compulsion, Chinese vessels put into port, such damages as they may have suffered at sea shall be settled by the consuls-general, consuls, vice-consuls or consular agents of China, unless stipulations to the contrary were entered into between the ship-owners, shippers and underwriters.

If, however, the consular officer is materially interested in the vessel or cargo, or is the agent thereof, or if Dutch subjects or subjects or citizens of a third nation are affected by the said damages, and the parties should be unable to reach an amicable settlement, then recourse may by right be had to the competent local authority.

ARTICLE 12.—Upon the death, in the Dutch possessions or colonies, of a Chinese subject without known heirs or testamentary executors, the Dutch authorities charged by the laws or decrees of the possession or colony with the administration of inheritances shall immediately notify the Chinese consular officers of the fact in order that the necessary information may be transmited to those interested; on the other hand, the Chinese consular officers shall, in case they are the first to learn of the fact, give notice thereof to the said authorities.

The competent local authority shall complete said notification by delivering, in due form and without cost, a copy of the death certificate.

ARTICLE 13.—The consuls-general, consuls, vice-consuls and consular agents shall have the right, in their offices, in their private residence, in the residence of the interested subjects of their country or on board vessels of their nation, to receive the declarations of the captains and crews of vessels of their country, of the passengers on board, and of any other subject of their country.

ARTICLE 14.—The consuls-general, consuls, vice-consuls or consular agents of China shall have exclusive charge of the internal order of all merchantmen of their nation.

They alone shall have jurisdiction over all controversies which may have arisen at sea or may arise in port between the captain, the officers and men of the crew, including controversies regarding the adjustment of wages and the execution of contracts.

The tribunals or other authorities of the possession or colony may not for any reason whatever interfere in these controversies unless they should be of such a nature as to disturb the peace and public order on shore or in the port, unless persons not of the crew take part therein, or unless the consuls-general, consuls, vice-consuls and consular agents request the assistance of the said authorities to carry out their decisions or to uphold their authority.

ARTICLE 15.—Whereas, in China the same favors are to be reciprocally accorded to the consuls-general, consuls, vice-consuls and consular agents of the Netherlands, therefore the consuls-general, consuls, vice-consuls and consular agents of China, not engaged in trade nor any function or profession other than their consular functions, shall be exempt from all military service, requisitions or billeting, from pecuniary taxes in the place of military service and from any personal tax, as well as from general or municipal taxes of a personal nature, unless they are Dutch subjects. This exemption can never be extended so as to include customs or other indirect or direct taxes.

The consuls-general, consuls, vice-consuls and consular agents who are not Dutch subjects, even if they do not come under the stipulations of the first paragraph of this article, are exempt from all military services, military requisitions and all pecuniary taxes in the place of military service, inasmuch as in

China the same privilege is granted to the consuls-general, consuls, vice-consuls and consular agents of the Netherlands.

The consuls-general, consuls, vice-consuls and consular agents who are subjects of the Netherlands, but who may have been permitted to exercise consular functions conferred by the Chinese Government, are obliged to pay all taxes or contributions of whatever nature they might be.

ARTICLE 16.—The consuls-general, consuls, vice-consuls and consular agents, as well as consular students, chancellors and secretaries of China shall enjoy all powers, privileges, exemptions and immunities in the possessions or colonies of the Netherlands which are or may be granted in future to the officers of similar rank of the most favored nation.

ARTICLE 17.—The present convention is entered into for a period of five years and shall go in force four months from the date of the exchange of ratifications, which exchange shall take place at The Hague within four months after the signing of the convention, or sooner if possible.†

Unless one of the two high contracting parties notifies the other at least one year before the expiration of this period, of its intention to abrogate the convention, the latter shall remain in force for one year from the date of its denunciation by one of the high contracting parties.

In testimony whereof the respective plenipotentiaries have signed the present convention and affixed their seals thereto.

Done at Peking, the eighth day of the month of May, one thousand nine hundred and eleven, corresponding to the tenth day of the fourth moon of the third year of Hsüan Tung.

(L. S.) BEELAERTS VAN BLOKLAND.
(L. S.) LOU TSENG TSIANG.

Note.

Simultaneously with the conclusion of this convention, the following notes (as translated from the French texts in *Staatsblad,* 1912, No. 280) were exchanged between the plenipotentiaries:

"*The Netherlands Minister at Peking to His Excellency Mr. Lou Tseng Tsiang, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of China near the Queen of the Netherlands, temporarily at Peking.*

"*Peking, May* 8, 1911.

"Mr. Minister,

"The consular convention that we have signed to-day speaks in several places of 'Chinese subjects' and of 'Netherlands subjects.'

"In consequence of differing legislation of our two countries in the matter of nationality, these expressions might give rise to doubts that it seems preferable to dispose of at this time. For this purpose I have the honor to propose to your Excellency that it should be agreed on either side that in the application of the present convention, which has no other purpose than to determine the rights, duties, etc. of the Chinese consular officials in the possessions or colonies of the Netherlands, the doubts to which these two expressions might give rise will be settled, in the possessions and colonies of the Netherlands, in conformity with the legislation in force in those possessions or colonies.

"I avail myself of this occasion, etc.

(Sgd.) "BEELAERTS VAN BLOKLAND."

† Ratifications exchanged July 28, 1911.

"His Excellency Lou Tseng Tsiang to the Netherlands Minister at Peking.

"Waiwupu, Peking,
"The 10th day of the 4th Moon of the 3rd year of Hsuan T'ung, corresponding to May 8, 1911.

"Mr. Minister,

"In reply to your Excellency's note of to-day's date, I have the honor to make known to you that I am authorized to agree with you that in so far as concerns the application of the consular convention that we have signed to-day and which has no other purpose than to determine the rights, duties, etc., of the Chinese consular officials in the possessions or colonies of the Netherlands, the doubts to which the expressions 'Chinese subjects' and 'Netherlands subjects' might give rise will be settled, in the possessions and colonies of the Netherlands, in conformity with the legislation in force in those possessions or colonies.

"I avail myself of this occasion, etc.

(Sgd.) "Lou Tseng Tsiang."

NUMBER 1911/4.

GREAT BRITAIN AND CHINA.

Agreement relating to Opium.—May 8, 1911.*

Under the arrangement concluded between His Majesty's Government and the Chinese Government three years ago † His Majesty's Government undertook that, if during the period of three years from the 1st day of January, 1908, the Chinese Government should duly carry out the arrangement on their part for reducing the production and consumption of opium in China, they would continue in the same proportion of 10 per cent. the annual diminution of the export of opium from India until the completion of the full period of ten years in 1917.

His Majesty's Government, recognising the sincerity of the Chinese Government and their pronounced success in diminishing the production of opium in China during the past three years, are prepared to continue the arrangement of 1907 for the unexpired period of seven years on the following conditions:—

Article 1.—From the 1st day of January, 1911, China shall diminish annually for seven years the production of opium in China in the same proportion as the annual export from India is diminished in accordance with the terms of this agreement and of the annex appended hereto until total extinction in 1917.

Article 2.—The Chinese Government have adopted a most rigorous policy

* Text as printed in British *Treaty Series*, 1911, No. 13. Printed also in *Customs*, vol. I, p. 669; *Hsüan T'ung Tiao Yüeh*, vol. II, p. 12; *Am. Int. Law Journal, Supplement*, 1911, p. 238.

In connection with this agreement, see the international opium convention of January 23, 1912 (No. 1912/2, *post*); also the Shanghai and Hongkong opium combines' agreement of May 1, 1915 (No. 1915/5, *post*), and the Shanghai opium combine's agreement of January 28, 1917 (No. 1917/3, *post*).

† The arrangement referred to, generally known as the Ten Year Agreement, was arrived at in the course of correspondence between the British Legation at Peking and the Wai Wu Pu, in December, 1907, and January, 1908. The substance of that agreement, as printed in *For. Rel.*, 1908, p. 80, and in *China*, 1908, No. 2, is given in Note 2 to this document, *post*, p. 865.

for prohibiting the production, the transport, and the smoking of native opium, and His Majesty's Government have expressed their agreement therewith and willingness to give every assistance. With a view to facilitating the continuance of this work, His Majesty's Government agree that the export of opium from India to China shall cease in less than seven years if clear proof is given of the complete absence of production of native opium in China.

ARTICLE 3.—His Majesty's Government further agree that Indian opium shall not be conveyed into any province in China which can establish by clear evidence that it has effectively suppressed the cultivation and import of native opium.

It is understood, however, that the closing of the ports of Canton and Shanghai to the import of Indian opium shall not take effect except as the final step on the part of the Chinese Government for the completion of the above measure.

ARTICLE 4.—During the period of this agreement it shall be permissible for His Majesty's Government to obtain continuous evidence of the diminution of cultivation by local enquiries and investigation conducted by one or more British officials, accompanied, if the Chinese Government so desire, by a Chinese official. Their decision as to the extent of cultivation shall be accepted by both parties to this agreement.

During the above period one or more British officials shall be given facilities for reporting on the taxation and trade restrictions on opium away from the treaty ports.

ARTICLE 5.—By the arrangement of 1907 His Majesty's Government agreed to the dispatch by China of an official to India to watch the opium sales on condition that such official would have no power of interference. His Majesty's Government further agree that the official so dispatched may be present at the packing of the opium on the same condition.

ARTICLE 6.—The Chinese Government undertake to levy a uniform tax on all opium grown in the Chinese Empire. His Majesty's Government consent to increase the present consolidated import duty on Indian opium to 350 taels per chest of 100 catties, such increase to take effect as soon as the Chinese Government levy an equivalent excise tax on all native opium.

ARTICLE 7.—On confirmation of this agreement, and beginning with the collection of the new rate of consolidated import duty, China will at once cause to be withdrawn all restrictions placed by the provincial authorities on the wholesale trade in Indian opium such as those recently imposed at Canton and elsewhere, and also all taxation on the wholesale trade other than the consolidated import duty, and no such restrictions or taxation shall be again imposed so long as the additional article to the Chefoo Agreement remains as at present in force.

It is also understood that Indian raw opium, having paid the consolidated import duty, shall be exempt from any further taxation whatsoever in the port of import.

Should the conditions contained in the above two clauses not be duly observed, His Majesty's Government shall be at liberty to suspend or terminate this agreement at any time.

The foregoing stipulations shall not derogate in any manner from the force

of the laws already published or hereafter to be published by the Chinese Government to suppress the smoking of opium and to regulate the retail trade in the drug in general.

ARTICLE 8.—With a view to assisting China in the suppression of opium, His Majesty's Government undertake that from the year 1911 the Government of India will issue an export permit with a consecutive number for each chest of Indian opium declared for shipment to or for consumption in China.

During the year 1911 the number of permits so issued shall not exceed 30,600, and shall be progressively reduced annually by 5,100 during the remaining six years ending 1917.

A copy of each permit so issued shall before shipment of opium declared for shipment to or for consumption in China be handed to the Chinese official for transmission to his Government or to the Customs authorities in China.

His Majesty's Government undertake that each chest of opium for which such permit has been granted shall be sealed by an official deputed by the Indian Government, in the presence of the Chinese official if so requested.

The Chinese Government undertake that chests of opium so sealed and accompanied by such permits may be imported into any treaty port of China without let or hindrance if such seals remain unbroken.

ARTICLE 9.—Should it appear on subsequent experience desirable at any time during the unexpired period of seven years to modify this agreement or any part thereof, it may be revised by mutual consent of the two high contracting parties.

ARTICLE 10.—This agreement shall come into force on the date of signature.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed the same and affixed thereto their seals.

Done at Peking in quadruplicate (four in English and four in Chinese) this 8th day of May, in the year 1911, being the 10th day of the 4th month of the 3rd year of Hsüan T'ung.

(L. S.) J. N. JORDAN.
(Signed in Chinese characters),
(L. S.) TSOU CHIA-LAI.

ANNEX.

On the date of the signature of the agreement a list shall be taken by the Commissioners of Customs, acting in concert with the colonial and consular officials, of all uncertified Indian opium in bond at the treaty ports, and of all uncertificated Indian opium in stock in Hong Kong which is *bonâ fide* intended for the Chinese market, and all such opium shall be marked with labels, and on payment of 110 taels consolidated import duty shall be entitled to the same treaty rights and privileges in China as certificated opium.

Opium so marked and in stock in Hong Kong must be exported to a Chinese port within seven days of the signature of the agreement.

All other uncertificated Indian opium shall, for a period of two months from the date of the signature of the agreement, be landed at the ports of Shanghai and Canton only, and at the expiration of this period all treaty ports shall be closed to uncertificated opium, provided the Chinese Government have obtained the consent of the other treaty Powers.

The Imperial Maritime Customs shall keep a return of all uncertificated Indian opium landed at Shanghai and Canton during this period of two months, other than opium marked and labelled as provided above, and such opium shall pay the new rate of consolidated import duty, and shall not be re-exported in bond to other treaty ports.

In addition to the annual reduction of 5,100 chests already agreed upon, His Majesty's Government agree further to reduce the import of Indian opium during each of the years 1912, 1913, and 1914 by an amount equal to one-third of the total ascertained amount of the uncertificated Indian opium in bond in Chinese treaty ports and in stock in Hong Kong on the date of signature plus one-third of the amount of uncertificated Indian opium landed during the ensuing two months at Shanghai and Canton.

Done at Peking this 8th day of May in the year 1911, being the 10th day of the 4th month of the 3rd year of Hsüan T'ung.

(L. S.) J. N. JORDAN.
(Signed in Chinese characters),
(L. S.) TSOU CHIA-LAI.

Sir J. Jordan to Prince Ch'ing.

Your Highness, *Peking, May 8, 1911.*

With reference to the Opium Agreement signed this day and the enquiry which your Highness's Board addressed to me regarding the taxation to be imposed on certificated opium, I have the honour to state that certificated opium removed from bond at the treaty ports or imported into China after the signature of the agreement will be liable to the new duty of 350 taels per chest of 100 catties.

I avail, &c.
J. N. JORDAN.

Prince Ch'ing to Sir J. Jordan.

(Translation.)

Sir, *Peking, May 8, 1911.*

With reference to the statement in the 6th article of the Opium Agreement which has been signed to-day to the effect that the Chinese Government will levy a uniform excise tax on all native opium, I have the honour to inform your Excellency that the Board of Finance has now decided to levy a tax of 230 taels on every 100 catties of native opium, which is equivalent to the increased rate of duty on Indian opium, such tax to take effect at the same time as the new duty on Indian opium.

I avail &c.
Prince CH'ING.

Note 1.

An imperial edict, of which the translation from the Chinese original is as follows, was issued on May 9, 1911, in pursuance of this agreement:

Imperial Edict supplementing Anglo-Chinese Opium Agreement, May 9, 1911.

"On May 9, 1911, the grand secretariat received an imperial edict based on a memorial submitted by the Board of Foreign Affairs containing supplementary regulations governing the prohibition of opium.

"A period of ten years was formerly agreed upon for the purpose of gradually putting a stop to the use of opium because the evil habit had become deeply ingrained and a somewhat long period was necessary to put an end to it. But to ensure the absolute removal of the evil as soon as possible action should be taken at once to the end that the malady may be forever cured.

"The memorial received to-day from the Board of Foreign Affairs states that three years of the opium prohibition period having elapsed, supplementary regulations had been agreed upon with the British Minister whereby within the seven unexpired years of the period should native opium be entirely prohibited then the import of foreign opium should also be entirely prohibited, and further that this procedure should also be applicable in any one of the provinces.

"The prohibition of the import of foreign opium should be carried out with due regard for the prohibition of the cultivation of native opium. It is now proposed that the matter be carried out by provinces. Should native opium be prohibited one day earlier then the importation of foreign opium should be stopped one day earlier. The plan proposed is satisfactory.

"As regards increasing the duties and likin taxes on foreign opium and increasing the duties at the same time on the native drug, it should be stated that this is done with a view to concealing prohibition under the guise of a tax. This proposal should be put into effect at once.

"The various restrictions imposed on wholesale trade in opium in the provinces and the farming of the tax on opium should be stopped at once in order that confusion may be avoided.

"Additional taxes should be newly imposed but only sufficient to cover the deficiency. Although the finances are limited, the Throne, having the welfare of the people at heart, does not desire to retain a source of revenue from opium.

"After the prohibition of the importation of opium has been put into effect in the provinces, measures should be taken to supply the loss in revenue thereby resulting. At this time we can only issue a stern prohibition in the hope of getting at the root of the matter. The Boards of the Interior and of Finance and the Viceroys and Governors of the provinces are instructed to carry out strictly the measures relating to the prohibition of the cultivation, the smoking, and the importation of opium, and to issue orders at once with a view to arriving at entire prohibition. It is hoped that thereby harmony may be maintained between government and people and international friendship fostered.

"Respect this!

(Signed) "I K'UANG (Prince Ch'ing).
"NA T'UNG.
"HSÜ SHIH-CH'ANG.
"TSOU CHIA-LAI.

"[Seal of the Prince Regent.]"

Note 2.

Ten Year Agreement for Suppression of Exports of Opium from India, January 24(?), 1908.

"1. The entire export of opium from India to any country whatsoever is limited to 51,000 chests annually and, beginning with 1908, this amount shall be reduced annually by 5,100 chests, so that at the end of 10 years the entire export shall be terminated.

"2. China shall dispatch officials to Calcutta to keep watch over the packing and export of opium, but who shall meddle with no other matters.

"3. The duty on foreign opium shall be doubled; but further consideration shall be given to the subject before the tax on native opium is increased.

"4. Opium prepared in Hongkong shall not be exported to China. Each nation shall take measures to prevent the smuggling of opium into its own territory, and the importation of prepared opium into China from Hongkong and vice versa shall be publicly prohibited.

"5. The sale and smoking of opium in the foreign concessions of China are to be

stopped. If the Chinese authorities begin to put these rules into operation without the concessions, then the municipal councils shall without further notification put them into effect within the concessions.

"6. The restriction of the importation of morphia and hypodermic needles must wait until all the treaty powers consent thereto."

NUMBER 1911/5.

FRANCE (Banque de l'Indo-Chine), GREAT BRITAIN (Hongkong & Shanghai Banking Corporation), GERMANY (Deutsch-Asiatische Bank), UNITED STATES (American Group) AND CHINA.

*Final agreement for the Hukuang Imperial Government Railways.**— May 20, 1911.*

THIS AGREEMENT is made at Peking on the twenty second day of the fourth month of the Third year of the Emperor Hsuan T'ung, corresponding to the twentieth day of May, One thousand nine hundred and eleven, Western Calendar, and the Contracting Parties are:

His Excellency the KUNG-PAO SHENG HSUAN-HUAI, Minister of POSTS AND COMMUNICATIONS, duly authorized by IMPERIAL DECREE to act on behalf of the IMPERIAL GOVERNMENT OF CHINA, of the one part,

AND

THE DEUTSCH-ASIATISCHE BANK,
THE HONGKONG & SHANGHAI BANKING CORPORATION,
THE BANQUE DE L'INDO-CHINE, AND

Messrs. J. P. Morgan & Company, Messrs. Kuhn, Loeb & Company, The First National Bank, and The National City Bank, all of New York, constituting THE AMERICAN GROUP, hereinafter called the "BANKS" of the other part, WITNESSETH as follows:

ARTICLE I.—The Imperial Government of China authorizes the Banks to issue a Five per cent Gold Loan for an amount of Six Million Pounds Sterling (£6,000,000). The Loan shall be of the date on which the bonds are issued to the public, and shall be called "THE IMPERIAL CHINESE GOVERNMENT FIVE PER CENT HUKUANG RAILWAYS SINKING FUND GOLD LOAN OF 1911."

ARTICLE II.—This Loan is designed to provide capital, first—

For the redemption at a premium of Two and one-half per cent, with accrued interest, of certain unredeemed Gold Bonds of the total par value of Dollars Two million two hundred and twenty-two thousand United States Currency, (G. $2,222,000) issued by The American China Development Company on behalf of the Imperial Chinese Government, and secondly—

For the construction of a Government railway main line from Wuchang, the capital of the Hupei Province, through Yo-chou and Chang-sha, the capital

* Text as printed by the banking groups. Printed also in *Wang*, p. 547.
See Note 1 to this document, *post*, p. 880.

of the Hunan Province, to a point in the District of Yi-chang-hsien in the Prefecture of Ch'en-chou on the southern boundary of Hunan, connecting with the Kuang-tung section of the Canton-Hankow Railway line, the total length of this line, hereinafter known as "The Hupei-Hunan Section of the Canton-Hankow Railway line," being an estimated distance of 1,800 Chinese li, or 900 kilomètres, and of

A Government railway main line from a point at or near Kuangshui in the Province of Hupei, connecting with the Peking-Hankow Railway line and passing through Hsiangyang, and Chingmenchou to Ichang, an estimated distance of 1,200 Chinese li, or 600 kilometres, and from Ichang to Kueichoufu in the Province of Szechuan, an estimated distance of 600 Chinese li, or 300 kilometres, —this latter section of the main line having been added in substitution for the branch line from Chingmenchou to Hanyang originally agreed upon,—the total length of this main line, hereinafter known as "The Hupei Section of the Szechuan-Hankow Railway line" being about 1,800 Chinese li, or 900 kilometres.

The survey lines shall be open to revision by the Ministry of Posts and Communications.

The Chinese Imperial Government undertakes to call in, after having received from the Banks application in writing to do so, the aforesaid Gold Bonds, and the Banks will apply the amount necessary for the said redemption out of the proceeds of the Loan, and will deliver the redeemed Bonds to the Chinese Government after having made the Bonds valueless. The Chinese Imperial Government will, after receipt of the redeemed Bonds, cancel the inscription of the pledge of the Canton-Hankow Railway Line in their archives, and will advise the Banks in writing after having done this.

It is understood that any surplus of the nominal amount of Five hundred thousand pounds Sterling (£500,000) hereby allotted for the redemption of the Gold Bonds issued by the American China Development Company, aforesaid, which may remain after complete redemption of those bonds, shall be allotted to the above named Railway Lines.

ARTICLE III.†—After deduction of the amount required for the redemption of the Gold Bonds referred to in Article II of this Agreement, the balance of the Loan proceeds shall be solely devoted to the construction of the aforesaid railway lines, including the purchase of land, rolling stock and other equipment, and to the working of the lines, and to payment of interest on the Loan during the period of construction, which is estimated at three years from the actual beginning of the works, a longer period, however, being allowed for the completion of the section from Ichang to Kuei-choufu in consideration of the engineering difficulties to be encountered. Work shall be commenced simultaneously at Wu-chang, Chang-sha, Kuang-shui and Ichang within six months after this Agreement has been signed, within which period the Banks shall notify the Ministry of Posts and Communications that the sum of Six Hundred Thousand Pounds Sterling (£600,000) has been placed at its disposal, in case funds should be required for survey or construction purposes, or for ordering of materials, and for the resumption by the Imperial Chinese Government of the

† See Note 2 to this document, *post*, p. 895.

portion of these lines already constructed by the Provinces concerned, the said sum to be held in Europe and/or in the United States of America or remitted to China as the Ministry may direct as a first instalment on account of the proceeds of the Loan. This amount of £600,000, or whatever portion thereof is actually advanced, together with interest thereon at the rate of Six per cent per annum, shall be deducted from the first proceeds of the sale of the Bonds.

It is understood that the lines of railway already constructed by the two Provinces of Hupei and Hunan prior to the signature of this Agreement with capital provided by those Provinces themselves, together with the property of those two Provincial Railways shall henceforward be taken over by and incorporated in the Canton-Hankow and the Szechuan-Hankow Government Railways Administration, and further that any supplementary funds which may be furnished in the future by the Ministry of Posts and Communications on account of a deficiency in the amount required for the construction of the Canton-Hankow and Szechuan-Hankow main lines within the boundaries of the two Provinces of Hupei and Hunan, as provided for in Article XV of the present Agreement, shall also rank as capital of the Canton-Hankow and Szechuan-Hankow Railway main lines within the boundaries of the two Provinces aforesaid. But the returns due upon such capital shall not in any manner impair the arrangements for payment of interest and repayment of principal of the present Loan.

Article IV.—The rate of interest for the Loan shall be Five per cent per annum on the nominal principal, and shall be paid to the bondholders half-yearly. The said interest shall be calculated from the date on which the Loan is issued to the public, and shall be paid by the Imperial Chinese Government during the time of construction either from the proceeds of the Loan or from other sources, and afterwards, in the first place, out of the revenues of the railways, and then from such other revenues as the Chinese Government may think fit to use for the purpose, in half yearly instalments according to the amounts specified in the schedule attached to this Agreement, and twelve days before their due dates, Western Calendar, as calculated half-yearly from the date on which the Loan is issued to the public.

Article V.—The term of the Loan shall be Forty Years. Repayment of Principal shall commence after the expiry of Ten years from the date of the Loan and except as provided in Article VI hereinafter, shall be made by yearly amortization to the Banks in half-yearly instalments out of the revenues of the lines, or such other revenues as the Chinese Government may think fit to use for the purpose, according to the amounts specified in the Schedule attached to this Agreement, but twelve days before their due dates, Western Calendar, as calculated half-yearly from the date on which the loan is issued to the public.

Article VI.—If at any time after the lapse of Ten years from the date of the Loan the Imperial Chinese Government should desire to redeem the whole outstanding amount of the Loan or any part of it not yet due for repayment in accordance with the Schedule of repayments hereto attached, it may do so up to the end of the seventeenth year by payment of a premium of Two and one-half per cent on the face value of the bonds, that is to say, by the payment of £102 10/- for each £100 bond, and after the lapse of seventeen years without premium: but in each and every case of such extra redemption the Imperial Chinese Government

will give six months previous notice in writing to the Banks and such redemption shall be effected by additional drawings of bonds to take place on the date of an ordinary drawing as provided for in the Prospectus of the Loan.

When the Loan has been fully repaid this Agreement will immediately become null and void. Bonds and interest coupons which have matured will be collected in due order and cancelled by the Banks as they are presented for payment and will be delivered by them to the Chinese Ministers in Great Britain, Germany, France and the United States of America. The Banks will refund in full to the Imperial Chinese Government the amounts of any drawn bonds and/or interest coupons which have not been presented for payment within thirty years from the respective due dates for redemption or payment of interest.

ARTICLE VII.—The half-yearly payments due for amortization and interest referred to in Articles IV and V, shall be made in accordance with the amounts of the Schedule attached to this Agreement, and twelve days before their due dates as fixed by Articles IV and V, in equal shares to the Banks by the Ministry of Posts and Communications which shall hand to the Banks in Shanghai or in Hankow, twelve days before the said due dates, funds in Shanghai "Kuei-yuan" sycee or Hankow "Yang-li" sycee and/or coin of the National Currency (so soon as the said Currency shall have been effectively established) sufficient to meet such payments in Gold in Europe and the United States of America, exchange for which shall be settled with the Banks on the same day, the Ministry of Posts and Communications having, however, the option of settling exchange with the Banks simultaneously at any date or dates within six months previous to any due date for the payment of interest and/or principal. These payments may, however, be made in gold in Europe and/or in the United States of America twelve days before their due dates if the Imperial Chinese Government should happen to have gold funds bona fide at their disposal in Europe and/or in the United States of America not remitted from China for the purpose, and desire so to use them.

In reimbursement of expenses connected with the payment of interest and repayment of principal of the Loan the Banks will receive from the Chinese Government a commission of one quarter per cent on the Annual Loan service.

ARTICLE VIII.—The Imperial Government of China hereby engages that the interest and principal of this Loan shall duly be paid in full and should the revenues of the railways and/or the proceeds of the Loan not be sufficient to provide for the due and full payment of interest and repayment of principal, the Ministry of Posts and Communications shall memoralize the Throne and the Imperial Government of China will thereupon make arrangements to ensure that the amount of deficiency shall be met from other sources and handed over to the Banks on the date upon which funds are required to complete full payment of interest and repayment of principal.

ARTICLE IX.‡—The present Loan of Six Million Pounds (£6,000,000) Sterling together with the second series thereof, provision for the issue of which is made under the terms of Article XV hereinafter is hereby secured, in respect to both principal and interest, as a first charge upon:—

‡ See exchange of communications, March 1 and 3, 1913, between the Minister of Communications and the representatives of the banks, printed in Note 1, *post*, p. 888.

1. Hupel General Lekin amounting to Two million (2,000,000) Haikwan Taels a year.

2. Hupei Additional Salt Tax for River Defence amounting to Four Hundred Thousand (400,000) Haikwan Taels a year.

3. Hupei New Additional Two Cash Salt Tax of September, 1908, amounting to three hundred thousand (300,000) Haikwan Taels a year.

4. Hupei collection of Hukuang inter-provincial Tax on imported Rice, to the amount of Two hundred and fifty thousand (250,000) Haikwan Taels a year.

5. Hunan General Lekin amounting to Two million (2,000,000) Haikwan Taels a year.

6. Hunan Salt Commissioner's Treasury Regular Salt Lekin to the amount of Two hundred and fifty thousand (250,000) Haikwan Taels a year.

The above Provincial Revenues amounting to a total of Five Million two hundred thousand (5,200,000) Haikwan Taels a year, are hereby declared to be free from all other Loans, Charges or Mortgages.

So long as principal and interest of this Loan are regularly paid, there shall be no interference with these Provincial revenues; but if principal or interest of the Loan be in default at due date, then, after a reasonable period of grace, lekin and other suitable internal revenues of the Provinces of Hupei and Hunan sufficient to provide the amounts above stated shall forthwith be transferred to, and administered by the Imperial Maritime Customs in the interests of the bondholders. And so long as this Loan or any part thereof shall remain unredeemed, it shall have priority, both as regards principal and interest, over all future loans, charges and mortgages charged on the aforesaid Provincial Revenues. No loan, charge or mortgage shall be raised or created which shall take precedence of, or be on an equality with this Loan, or shall in any manner lessen or impair its security over the aforesaid Provincial Revenues, and any future loan, charge or mortgage charged on the said Provincial Revenues other than the second series of the present loan provided for in Article XV aforementioned shall be made subject to this Loan, and it shall be so expressed in every agreement for every such future loan, charge or mortgage.

After redemption of the existing gold Bonds referred to in Article II of this Agreement it is understood and agreed that, so long as this Loan is unredeemed, the railways shall, under no circumstances, be mortgaged nor their receipts given as security to any other party.

In the event of the Chinese Government, during the currency of this Loan entering upon definite arrangements for the revision of the Customs tariff, accompanied by stipulations for the decrease or abolition of lekin, it is hereby agreed on the one hand, that such revision shall not be barred by the fact that this Loan is secured by lekin and provincial revenues and, on the other hand, that whatever lekin is required to provide the security of this loan shall neither be decreased nor abolished except by previous arrangement with the Banks and then only in so far as an equivalent is substituted for it in the shape of a first charge upon the increase of Customs revenue consequent upon such revision.

ARTICLE X.—The Banks are hereby authorized to issue to the subscribers to the Loan, bonds for the total amount of the Loan in Gold, for such amounts as may appear advisable to the Banks. The form and language of the bonds shall

be settled by the Banks in consultation with the Ministry of Posts and Communications or the Chinese Minister in Berlin, London, Paris or Washington: they shall bear the facsimile of the signature of the Minister of Posts and Communications and of his seal of office, in order to dispense with the necessity of signing them all in person, and the Chinese Minster in Berlin and/or London and/or Paris and/or Washington at the option of the Banks shall, previous to the issue of the bonds, put his seal upon each bond, with a facsimile of his signature, as a proof that the issue and sale of the bonds are duly authorized by and binding upon the Imperial Chinese Government. The representatives of the Banks in Berlin, London, Paris or New York, as the case may be, shall countersign the bonds as Agents for the issue of the Loan.

In the event of any bond or bonds issued for this loan being lost, stolen or destroyed, the Group and/or Bank or Banks concerned shall immediately notify the Ministry of Posts and Communications and the Chinese Minister in Berlin, London, Paris or Washington, as the case may be, who shall authorize the Group and/or Bank or Banks concerned to insert an advertisement in the public newspapers notifying that payment of such bond or bonds has been stopped, and to take such other steps as may appear advisable or necessary according to the laws and customs of the country concerned, and should any bond or bonds be destroyed or should such lost or stolen bond or bonds not be recovered after a lapse of time to be fixed by the Group and/or Bank or Banks concerned the Chinese Minister in Berlin, London, Paris or Washington as the case may be, shall seal and execute a duplicate bond or duplicate bonds for a like amount and hand the same to the Group and/or Bank or Banks representing the owner or owners of such lost, stolen or destroyed bond or bonds, which Group and/or Bank or Banks shall pay all expenses in connection with such delivery and execution of such bond or bonds for the account of the owner or owners of such bond or bonds.

Article XI.—All bonds and coupons and payments made and received in connection with the service of this Loan shall be exempt from all Chinese taxes and imposts during the currency of this Loan.

Article XII.—All details necessary for the Prospectus and connected with the payment of the interest and repayment of the principal of this Loan, not herein explicitly provided for, shall be left to the arrangement of the Banks in consultation with the Chinese Ministers in Berlin, London, Paris and Washington. The Banks are hereby authorized to issue the Prospectus of the Loan as soon as possible after the signing of this Agreement; and the Imperial Government will instruct the Chinese Ministers in Berlin, London, Paris and Washington to co-operate with the Banks in any matters requiring conjoint action, and to sign the Prospectus of the Loan.

Article XIII.—This Loan of £6,000,000 Sterling shall be issued to the public in one amount as soon as possible after the signature of this Agreement, and not later than twelve months from the date thereof. The price of the bonds to the Imperial Chinese Government shall be Ninety five per cent of their nominal value. Subscriptions will be invited by the Banks in Europe, in the United States of America and in China from Chinese, Europeans and Americans on equal conditions, preference being given to the application of the Chinese Government provided such application be made not less than four days before the

issue of the Prospectus to the public. Seven days' notice of the issue of the Prospectus will be given by the Banks to the Imperial Chinese Government.

ARTICLE XIV.§—The proceeds of the Loan shall be placed to the credit of a "Hukuang Government Railways Account" with the Deutsch-Asiatische Bank, the Hongkong & Shanghai Banking Corporation, and the Banque de l'Indo-Chine in China, Berlin, London or Paris as the case may be, and with the American Group in New York or such Banks in China as from time to time shall be designated by the American Group, the International Banking Corporation being now so designated. Payments of the loan proceeds into the credit of this account shall be made in instalments and on dates conforming to the conditions allowed to the subscribers to the loan.

Interest at the rate of 3% per annum shall be granted on the credit balance of the portion of this account kept in Berlin, London, Paris or New York, and interest on the credit portion kept in China by the above Banks, will be allowed at the Banks' rate for current accounts to be arranged.

Subject to the payments and deductions to be made from the loan proceeds in terms of Articles II and III of this Agreement the Banks will hold the net balance with accrued interest to the order of the Ministry of Posts and Communications.

Transfers of the loan funds to China in amounts not exceeding Two hundred thousand Pounds Sterling (£200,000) transferred in any one week, will be made by the Ministry of Posts and Communications at its discretion, the tranfers being effected through the Deutsch-Asiatische Bank, the Hongkong & Shanghai Banking Corporation, the Banque de l'Indo-Chine, and/or the Bank or Banks to be designated by the American Group, the International Banking Corporation being now so designated.

Transfers of the loan funds to China from the Banks in Europe and America, and transfers from the Banks in China to the Chinese Banks which are hereinafter designated shall be made as nearly as possible in equal amounts from each of the Banks, the rate of exchange for each transfer from Europe and America being settled simultaneously with the transferring Banks, either on the day on which such transfer is to be made, or at the option of the Ministry of Posts and Communications, on any date or dates within six months previous to the day on which the transfer is to be made. In the event of equal transfers being found to be impracticable a mutually satisfactory procedure for making the transfers above referred to shall be arranged between the Ministry of Posts and Communications and the Banks.

The transferred funds, to the extent of one half of the net balance of the Loan proceeds above referred to may, at the discretion of the Ministry of Posts and Communications, be deposited in a Hukuang Government Railways Account with the Bank of Communications (Chiao-Tung Bank) and/or with the Ta-Ching Government Bank, which Banks have been designated by the Ministry of Posts and Communications as its Agents for this purpose, and the Imperial Chinese Government hereby declares itself responsible for all the funds of this Loan deposited with the said Chinese Banks.

§ See exchange of communications, March 1 and 3, 1913, between Minister of Communications and representatives of banks; also, memorandum of September 12, 1913, printed in Note 1, *post*, pp. 888, 889.

The Ministry of Posts and Communications shall from time to time make transfers from the loan funds held in China by the Banks and by the designated Chinese Banks to the credit of a construction account for the Hupei section of the Szechuan-Hankow Railway Line with the Deutsch-Asiatische Bank and of a construction account for the Hupei-Hunan section of the Canton-Hankow Railway Line with the Hongkong and Shanghai Banking Corporation, in amounts sufficient to cover one month's construction estimates in advance, so as to insure the uninterrupted continuance of construction. The Ministry of Posts and Communications shall hand to the Banks, for the information of the Auditors (hereinafter referred to), quarterly statements of the loan funds held on deposit by the aforesaid designated Chinese Banks, and these funds shall not be withdrawn from the said Banks except for the purpose of transfer to the construction accounts above named. Funds shall be drawn from these construction accounts in sycee by the Managing Director as hereinafter provided, and it will rest with the Managing Director under the instructions of the Ministry of Posts and Communications to make all necessary arrangements for the distribution of such funds through Chinese Banks or otherwise to the points where they are required.

Requisitions upon these Construction Accounts will be drawn in amounts to suit the progress of construction of the railway lines by orders upon the Deutsch-Asiatische Bank or the Hongkong & Shanghai Banking Corporation signed by the Managing Director of the line concerned or, in his absence, by his duly authorized representative, who shall moreover, two days previous to the presentation of such order, issue in duplicate a certificate stating clearly the object for which the funds are to be drawn, handing one copy to the Auditor concerned (hereinafter referred to) and one copy to the Bank concerned. If the Auditor should find that there are irregularities in the payments to be made, he may in the first place ask the Managing Director for specific explanations, and if the Managing Director is unable to furnish definite explanations, the Auditor may refer the matter to the Ministry of Posts and Communications for its instructions.

The Accounts of the Railways shall be kept in Chinese and English in accordance with accepted modern methods, and will be supported by all necessary vouchers. During the period of construction the said accounts and vouchers will be open at any time to the inspection of two Auditors for the Hupei-Hunan section of the Canton-Hankow Railway Line, and the Hupei section of the Szechuan-Hankow Railway Line respectively, appointed and paid by the Banks, whose duty it will be to satisfy the Banks as to the due expenditure of the loan funds in accordance with the provisions of Article III of this Agreement, and to certify to monthly statements of the foreign materials purchased by the Railway Administration under the provisions of Article XVIII hereinafter. The Railway Administration will publish annually upon the close of its financial year a Report in the Chinese and English languages, showing the working accounts and traffic receipts of the railways, which Reports shall be procurable by the public on application.

Article XV.—If after the deduction of the amount required for the redemption of the Gold Bonds referred to in Article II of this Agreement, and of the sums necessary for the service of interest on the Loan during the time of

construction, the balance of the Loan proceeds, with accrued interest, should not be sufficient to complete the construction and equipment of the railway lines named in Article II of this Agreement, the amount of deficiency shall be provided, in the first place, from such Chinese funds as may be available so as to permit of the uninterrupted continuance of the work of construction, and any balance then uncovered shall be supplemented by the issue by the Banks, under the terms of the present Agreement, of a second series of the present Loan, for an amount not exceeding Four Million Pounds (£4,000,000) Sterling. This second series shall be secured pari passu as an equal charge in every respect on the internal revenues specified in Article IX of this Agreement, and the time of its issue shall be left to the discretion of the Banks. Should foreign capital still be required for the completion of the Railway Lines aforesaid it shall be provided by a further loan to be issued by the Banks on terms to be arranged. If after the completion of the lines there should be a balance at the credit of the Railways Account, such unused balance will be transferred to the credit of the Interest Reserve Fund, hereinafter mentioned in Article XX, as a provision for payments for which the Imperial Chinese Government is responsible under this Agreement, or will be devoted, if necessary, to the improvement of these railways or otherwise to their advantage.

Article XVI.—If before the publication of the Prospectus for the issue of the Loan any political or financial crisis should take place by which the markets and the prices of existing Chinese Government Stocks are so affected as to render, in the opinion of the Banks, the successful issue of this Loan impossible on the terms herein named, the Banks shall be granted a reasonable extension of time for the performance of their contract. If within this time limit, to be arranged, the Loan shall not have been issued, then this contract shall become null and void, and any advances made by the Banks under the provisions of Article III of this Agreement, shall be repaid by the Chinese Government with accrued interest, but without any other compensation or remuneration whatsoever.

Article XVII.—The construction and control of the railway lines shall be entirely and exclusively vested in the Imperial Chinese Government. For the work of construction the Imperial Chinese Government will select for appointment a fully qualified British Engineer-in-chief for the Hupei-Hunan section of the Canton-Hankow railway line from Wuchang to Yichang-hsien, and a fully qualified German Engineer-in-chief for the Kuangshui-Ichang section of the Szechuan-Hankow railway line, with a fully qualified American Engineer-in Chief for the section of that line from Ichang to Kueichoufu at the same time informing the Banks of the selection made. If the Banks have objections to offer against the Engineers-in-chief thus selected for appointment, they shall, in stating their objections, give definite reasons therefor. The said Engineers-in-chief shall be under the orders of the Director General and the Managing Directors of the respective lines or, in their absence, of their duly authorized representatives, and will carry out all the wishes of the Ministry of Posts and Communications with regard to the plan and construction of the lines. In their general conduct they shall pay all due respect to the Ministry of Posts and Communications, the Director General and the Managing Directors. The terms of their respective agreements will be arranged by the Ministry of Posts and Communications.

Whenever appointments are to be made or functions defined of the technical members of the railway staff, as well as in the case of their dismissal, the Director General, the Managing Director or, in his absence his duly authorized representative, will act in consultation with the Engineer-in-Chief concerned, and in the case of disagreement the matter will be referred to the Ministry of Posts and Communications, whose decision shall be final.

After completion of construction, and during the currency of this Loan, the Imperial Chinese Government will continue to employ Europeans and/or Americans as Engineers-in-Chief of the said railway lines, these appointments being made without reference to the Banks.

ARTICLE XVIII.—For the Hupei-Hunan section of the Canton-Hankow railway line, and the Hupei section of the Szechuan-Hankow railway line respectively (a) The British & Chinese Corporation, Limited and (b) the Deutsch-Asiatische Bank will act as Agents of the Railway Administration during construction for the purchase of all materials, plant and goods required to be imported from abroad. From this category rails and their accessories are excepted; for the purchase of which the Ministry of Posts and Communications has memorialized the Throne recommending that they should be manufactured and supplied by the Hanyang Iron Works. Their price will be settled by the Ministry of Posts and Communications with the Hanyang Iron Works, after comparison with the current quotations for rails purchased by other lines from Europe or America. No delay will be allowed, and it is understood that if the Hanyang Iron Works are unable to supply the requirements of the lines in question in such manner as to insure uninterrupted construction, the Purchasing Agents will be instructed to procure from abroad the additional supplies required. For all important purchases of materials tenders shall be called for by the Director General or the Managing Director concerned: in the case of all tenders, indents and orders for the importation of goods and materials from abroad, the said Agents shall purchase the materials required on the terms most advantageous to the railways, and shall charge the original net cost of the same, plus a commission of five per cent (5%). It is understood that no orders for materials shall be executed or any expenditure incurred without due authorization by the Managing Director concerned.

In return for payment of commission as above stated the British & Chinese Corporation, Limited, and the Deutsch-Asiatische Bank as Agents for the respective railway lines, shall be prepared to superintend the purchase of all foreign materials required for their construction and equipment, which shall be purchased in the open market at the lowest rate obtainable, it being understood that all such materials shall be of good and satisfactory quality and that the aforesaid Agents will avail themselves of the services of engineering experts to be selected by the Ministry of Posts and Communications for the inspection of such materials. The fees of these Inspectors shall be borne in equal shares by the Ministry of Posts and Communications and the Purchasing Agents. At equal rates and qualities goods of British, French, German and American manufacture shall be given impartial preference over other goods of foreign origin.¶ The Railway Administration of the Ministry of Posts and Communications reserves

¶ See Note 3 to this document, *post*, p. 897.

the right, while paying the above stipulated commission to the said Agents in respect of all purchases of foreign materials, to avail itself of the services of other Agents in China, or abroad, should it see fit to do so.

The most favorable shipping and insurance rates are to be secured and statements thereof together with original invoices and Inspectors' certificates are to be submitted to the Director General and the Managing Director concerned: all return commissions and rebates of every description shall be credited to the railways, and all purchases made by the Agents on behalf of the railways shall be supported by manufacturers' original invoices and Inspectors' certificates. No commission shall be paid to the Agents except as above provided; but it is understood that the Railway Administration shall provide out of railway funds for the remuneration of Consulting Engineers whenever their services are engaged.

With a view to the encouragement of Chinese industries, preference will be given, at equal prices and qualities, over British, French, German, American or other foreign goods to Chinese materials and goods manufactured in China, such cases being left to the decision, in consultation with the Engineers-in-Chief, of an Inspector appointed by the Ministry of Posts and Communications. No commission will be paid on purchases of such Chinese materials and goods.

It is understood and agreed that, after the construction of the lines is completed, the British & Chinese Corporation, Limited, and the Deutsch-Asiatische Bank will be given the preference for Agency business for the respective lines, during the currency of the Loan, for the supply of foreign materials which the Railway Administration may require, on terms to be hereafter mutually agreed upon.

ARTICLE XIX.—Should the Imperial Chinese Government itself hereafter consider it desirable to construct extensions in connection with the railway lines named in Article II of this agreement in order that the interests of the country may be better served, such extensions shall be built by the Imperial Chinese Government with funds at its disposal from Chinese sources, but if foreign capital is required, and the terms offered by the Banks are as favorable as those offered by others preference will be given to the Banks.

ARTICLE XX.—After payment of interest and repayment of principal of this Loan for any current year, the Railway Administration will deposit with the Banks in Shanghai or Hankow any surplus of the net revenue of the railway lines for that year up to the amount required to pay the following year's instalments of interest on the Loan, the rate of interest on the deposit being arranged with the Banks from time to time with due regard to the conditions of the market.

ARTICLE XXI.—All expenses in connection with the flotation and issue of this Loan, such as underwriting, commission and brokerage, telegraph charges, advertising, postage, engraving and printing of Prospectus and bonds, stamp and legal fees, shall be borne by the Banks.

ARTICLE XXII.—The Deutsch-Asiatische Bank, The Hongkong & Shanghai Banking Corporation, the Banque de l'Indo-Chine and the American Group shall take the Loan in equal shares and without responsibility for each other.

ARTICLE XXIII.—The Deutsch-Asiatische Bank, the Hongkong & Shanghai Banking Corporation, the Banque de l'Indo-Chine and the American Group may,

subject to all their obligations under this Agreement, transfer or delegate all or any of their rights, powers, and discretions hereunder to any German, British, French or American Company, Directors or Agents, with power of further transfer and sub-delegation; such transfer, subtransfer, delegation or sub-delegation to be subject to the approval of the Ministry of Posts and Communications.

ARTICLE XXIV.—This Agreement is signed under the authority of an Imperial Edict dated the twenty-second day of the fourth month of the third year of the Emperor Hsuan T'ung, corresponding to the twentieth day of May, 1911, Western Calendar, which will be officially communicated to the Ministers of Great Britain, France, Germany and the United States of America in Peking by the Wai Wu Pu.

ARTICLE XXV.—Eight sets of this Agreement are executed in English and Chinese, four sets to be retained by the Imperial Chinese Government and four sets by the Banks. In the event of any doubt arising regarding the interpretation of the contract the English text shall rule.

Signed at Peking by the Contracting Parties this twenty second day of the fourth month of the third year of the Emperor Hsuan T'ung, corresponding to the twentieth day of May, One thousand nine hundred and eleven, Western Calendar.

THE MINISTER OF POSTS AND COMMUNICATIONS

SHENG HSUAN-HUAI

[Seal of MINISTRY of POSTS AND COMMUNICATIONS.]

For the DEUTSCH-ASIATISCHE BANK,
H. CORDES.
For the HONGKONG & SHANGHAI BANKING CORPORATION
E. G. HILLIER,
Agent.
For the BANQUE DE L'INDO-CHINE,
R. SAINT PIERRE.
CASENAVE.
For J. P. Morgan & Company,
Kuhn, Loeb & Company,
The First National Bank,
The National City Bank,
of New York
constituting
"THE AMERICAN GROUP"
WILLARD STRAIGHT,
Representative.

SCHEDULE OF INTEREST AND AMORTIZATION OF THE IMPERIAL CHINESE GOVERNMENT 5% HUKUANG RAILWAYS SINKING FUND GOLD LOAN OF 1911 FOR £6,000,000.
COEFFICIENT 6,505,144 PER CENT.
TOTAL ANNUAL PAYMENT OF INTEREST AND AMORTIZATION £390,308.12.10.

Years	Half-yearly Payments of Interest.	Total yearly Payments of Interest.	Half-yearly Payments of Capital.	Total yearly Payments of Capital.	Total annual Payments.	Principal Outstanding.
	£	£	£	£	£	£
1	150,000. -/- 150,000. -/-	300,000. -/-	nil	nil	300,000. -/-	6,000,000. -/-
2	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
3	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
4	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
5	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
6	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
7	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
8	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
9	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
10	150,000. -/- 150,000. -/-	300,000. -/-	"	"	300,000. -/-	6,000,000. -/-
11	150,000. -/- 150,000. -/-	300,000. -/-	45,154. 6/ 5 45,154. 6/ 5	90,308.12/10	390,308.12/10	5,909,691. 7/ 2
12	147,742. 5/ 8 147,742. 5/ 8	295,484.11/ 4	47,412. -/ 9 47,412. -/ 9	94,824. 1/ 6	390,308.12/10	5,814,867. 5/ 8
13	145,371.13/ 8 145,371.13/ 8	290,743. 7/ 4	49,782.12/ 9 49,782.12/ 9	99,565. 5/ 6	390,308.12/10	5,715,302. 0/ 2
14	142,882.11/- 142,882.11/-	285,765. 2/-	52,271.15/ 5 52,271.15/ 5	104,543.10/10	390,308.12/10	5,610,758. 9/ 4
15	140,268.19/ 3 140,268.19/ 3	280,537.18/ 6	54,885. 7/ 2 54,885. 7/ 2	109,770.14/ 4	390,308.12/10	5,500,987.15/-
16	137,524.13/11 137,524.13/11	275,049. 7/10	57,629.12/ 6 57,629.12/ 6	115,259. 5/ -	390,308.12/10	5,385,728.10/-
17	134,643. 4/ 3 134,643. 4/ 3	269,286. 8/ 6	60,511. 2/ 2 60,511. 2/ 2	121,022. 4/ 4	390,308.12/10	5,264,706. 5/ 8
18	131,617.13/ 2 131,617.13/ 2	263,235. 6/ 4	63,536.13/ 3 63,536.13/ 3	127,073. 6/ 6	390,308.12/10	5,137,632.19/ 2
19	128,440.16/ 6 128,440.16/ 6	256,881.13/-	66,713. 9/11 66,713. 9/11	133,426.19/10	390,308.12/10	5,004,205.19/ 4
20	125,105. 3/- 125,105. 3/-	250,210. 6/-	70,049. 3/ 5 70,049. 3/ 5	140,098. 6/10	390,308.12/10	4,864,107.12/ 6

Years.	Half-yearly Payments of Interest.	Total yearly Payments of Interest.	Half-yearly Payments of Capital.	Total yearly Payments of Capital.	Total annual Payments.	Principal outstanding.
21	121,602.13/10 121,602.13/10	243,205. 7/ 8	73,551.12/ 7 73,551.12/ 7	147,103. 5/ 2	390,308.12/10	4,717,004. 7/ 4
22	117,925. 2/ 2 117,925. 2/ 2	235,850. 4/ 4	77,229. 4/ 3 77,229. 4/ 3	154,458. 8/ 6	390,308.12/10	4,562,545.18/10
23	114,063.13/- 114,063.13/-	228,127. 6/-	81,090.13/ 5 81,090.13/ 5	162,181. 6/10	390,308.12/10	4,400,364.12/-
24	110,009. 2/ 4 110,009. 2/ 4	220,018. 4/ 8	85,145. 4/ 1 85,145. 4/ 1	170,290. 8/ 2	390,308.12/10	4,230,074. 3/10
25	105,751.17/ 1 105,751.17/ 1	211,503.14/ 2	89,402. 9/ 4 89,402. 9/ 4	178,804.18/ 8	390,308.12/10	4,051,269. 5/ 2
26	101,281.14/ 7 101,281.14/ 7	202,563. 9/ 2	93,872.11/10 93,872.11/10	187,745. 3/ 8	390,308.12/10	3,863,524. 1/ 6
27	96,588. 2/- 96,588. 2/-	193,176. 4/-	98,566. 4/ 5 98,566. 4/ 5	197,132. 8/10	390,308.12/10	3,666,391.12/ 8
28	91,659.15/10 91,659.15/10	183,319.11/ 8	103,494.10/ 7 103,494.10/ 7	206,989. 1/ 2	390,308.12/10	3,459,402.11/ 6
29	86,485. 1/ 3 86,485. 1/ 3	172,970. 2/ 6	108,669. 5/ 2 108,669. 5/ 2	217,338.10/ 4	390,308.12/10	3,242,064. 1/ 2
30	81,051.12/- 81,051.12/-	162,103. 4/-	114.102.14/ 5 114,102.14/ 5	228,205. 8/10	390,308.12/10	3,013,858.12/ 4
31	75,346. 9/ 4 75,346. 9/ 4	150,692.18/ 8	119,807.17/ 1 119,807.17/ 1	239,615.14/ 2	390,308.12/10	2,774,242.18/ 2
32	69,356. 1/ 5 69,356. 1/ 5	138,712. 2/10	125,798. 5/- 125,798. 5/-	251,596.10/-	390,308.12/10	2,522,646. 8/ 2
33	63,066. 3/ 2 63,066. 3/ 2	126,132. 6/ 4	132.088. 3/ 3 132.088. 3/ 3	264,176. 6/ 6	390,308.12/10	2,258,470. 1/ 8
34	56,461.15/ 1 56,461.15/ 1	112,923.10/2	138,692.11/ 4 138,692.11/ 4	277,385. 2/ 8	390,308.12/10	1,981,084.19/-
35	49,527. 2/ 6 49,527. 2/ 6	99,054. 5/-	145,627. 3/11 145,627. 3/11	291,254. 7/10	390,308.12/10	1,689,830.11/ 2
36	42,245.15/ 3 42,245.15/ 3	84,491.10/6	152,908.11/ 2 152,908.11/ 2	305,817. 2/ 4	390,308.12/10	1,384,013. 8/10
37	34.600. 6/ 9 34,600. 6/ 9	69,200.13/ 6	160.553.19/ 8 160,553.19/ 8	321,107.19/ 4	390,308.12/10	1,062,905. 9/ 6
38	26.572.12/ 9 26,572.12/ 9	53,145. 5/ 6	168,581.13/ 8 168,581.13/ 8	337,163. 7/ 4	390,308.12/10	725,742. 2/ 2
39	18,143.11/ 1 18,143.11/ 1	36,287. 2/ 2	177.010.15/ 4 177,010.15/ 4	354,021.10/ 8	390,308.12/10	371,720.11/ 6
40	9,294. -/ 8 9,294. -/ 8	18,588. 1/ 4.	185,860. 5/ 9 185.860. 5/ 9	371,720.11/ 6	390,308.12/10	
	TOTAL:	£8,709,259. 5/-		£6,000,000. -/-	£14,709,259. 5/-	

Note 1.

An agreement for a loan for the construction of these railways was originally concluded between the Chinese Government and the British, French and German banks, on June 6, 1909, in the following terms:

Agreement with British, French and German Banks for Hukuang Railways, June 6, 1909.

"This Agreement is made at Peking on the 19th day of the 4th moon in the first year of the Emperor Hsuan-T'ung, corresponding to the 6th of June, one thousand nine hundred and nine, western calendar, and the contracting parties are:

"His Excellency the Grand Secretary Chang Chih-tung, director-general of the Canton-Hankow Railway and of the Hupeh section of the Szechuen-Hankow Railway, duly authorized by imperial decree to act on behalf of the Imperial Government of China, of the one part, and

"(a) The Deutsch-Asiatische Bank, Shanghai, and

"(b) The Hongkong and Shanghai Banking Corporation associated with the Banque de l'Indo-Chine, hereafter called the Banks, of the other part.

"ARTICLE 1.—The Imperial Government of China authorizes the Banks to issue a 5 per cent gold loan for an amount of five million five hundred thousand pounds sterling (£5,500,000). The loan shall be of the date on which the bonds are issued to the public, and shall be called 'The Imperial Chinese Government Five Per Cent Hukuang Railway Loan of 1909.'

"ARTICLE 2.—This loan is designed to provide capital (1) for the redemption at a premium of 2½ per cent, with accrued interest, of certain unredeemed gold bonds of the total par value of two million two hundred and twenty-two thousand dollars United States currency, issued by the American-China Development Company on behalf of the Imperial Chinese Government, and

"(2) For the construction of a Government railway, main line from Wuchang, the capital of the Hupeh Province, through Yo-chou and Chang-sha, the capital of the Hunan Province, to a point in the prefecture of Ch'en-chou, on the southern boundary of Hunan, connecting with the Kuang-tung section of the Canton-Hankow Railway line, the total length of this line, hereinafter known as 'The Hupeh-Hunan section of the Canton-Hankow Railway line,' being 1,800 Chinese li, or 900 kilometers, and of

"A Government railway main line from Ichang, in the Province of Hupeh, through Ching-men-chou and Hsiang-yang, to a point at or near Kuang-Hsui, connecting it with the Peking-Hankow, and a branch line from Ching-men-chou, on the aforesaid main line, through Shasi to Han-yang, the combined length of these two lines, hereinafter known as 'The Hupeh section of the Szechuen-Hankow Railway line,' being about 1,600 Chinese li, or 800 kilometers.

"The survey line shall be open to revision by the director-general of the railways.

"The Chinese Imperial Government undertakes to call in, after having received from the Banks application in writing to do so, the aforesaid gold bonds and the Banks will apply the amount necessary for the said redemption out of the proceeds of the loan, and will deliver the redeemed bonds to the Chinese Government, after having made the bonds valueless. The Chinese Imperial Government will, after receipt of the redeemed bonds, cancel the inscription of the pledge of the Canton-Hankow Railway line in their archives and will advise the Banks in writing after having done this.

"It is understood that the allotment of the aforesaid total nominal capital of £5,500,000 will be in the proportion of £2,500,000 to the Hupeh-Hunan section of the Canton-Hankow Railway line, and £2,500,000 to the Hupeh section of the Szechuen-Hankow Railway line, and that any surplus of the nominal amount of the £500,000 hereby allotted for the redemption of the gold bonds, issued by the American-China Development Company aforesaid which may remain after complete redemption of those bonds shall be added to the amount allotted to the Hupeh section of the Canton-Hankow Railway line.

"ARTICLE 3.—After deduction of the amount required for the redemption of the gold bonds referred to in Article 2 of this agreement, the balance of the loan proceeds shall be solely devoted to the construction of the aforesaid railway lines, including the purchase of lands, rolling stock, and other equipment, and to the working of the line, and to the payment of interest on the loan during the period of construction, which is estimated at four years from the actual beginning of the work. The commencement of the work shall not be delayed beyond six months after this agreement has been signed, within which period the Banks shall notify the director-general that the sum of five hundred and ten thousand pounds sterling (£510,000) has been placed at his disposal in case funds should be required for survey or construction purposes, or for the ordering of material, the said sum to be held in Europe or remitted to China as he may direct, as a first installment on account of the proceeds of the loan. This amount of £510,000, or whatever portion thereof is actually advanced, together with interest thereon, not exceeding a charge of 6 per cent per annum, shall be deducted from the first proceeds of the sale of the bonds.

"ARTICLE 4.—The rate of interest for the loan shall be 5 per cent per annum on the nominal principal and shall be paid to the bondholders half-yearly. The said interest shall be calculated from the date on which the loan is issued to the public, and shall be paid by the Imperial Chinese Government during the time of construction, either from the proceeds of the loan or from other sources, and afterwards, in the first place, out of the revenues of the railway, and then from such other revenues as the Chinese Government may think fit to use for the purpose, in half-yearly installments according to the amount specified in the schedule attached to this agreement and fourteen days before their due date, western calendar, as calculated half-yearly from the date on which the loan is issued to the public.

"ARTICLE 5.—The term of the loan shall be twenty-five years. Repayment of the principal shall commence after the expiry of ten years from the date of the loan, and, except as provided in Article 6 hereinafter, shall be made by equal yearly amortization to the Banks in half-yearly installments out of the revenues of the lines or such other revenues as the Chinese Government may think fit to use for the purpose, according to the amounts specified in the schedule attached to this agreement, but fourteen days before their due date, western calendar, as calculated half-yearly from the date on which the loan is issued to the public.

"ARTICLE 6.—If at any time after the lapse of ten years from the date of the loan the Imperial Chinese Government should desire to redeem the whole outstanding amount of the loan or any part of it not yet due for a payment in accordance with the schedule for repayments hereto attached, it may do so up to the end of the seventeenth year by payment of a premium of 2½ per cent on the face value of the bonds; that is to say, by the payment of £102 10s. for each £100 bond, and after the lapse of seventeen years without premium; but in each and every case of such extra redemption the Imperial Chinese Government will give six months' previous notice in writing to the Banks, and such redemption shall be effected by additional drawings of bonds to take place on the date of an ordinary drawing, as provided for in the prospectus of the loan.

"ARTICLE 7.—The half-yearly payments due for amortization and interest, referred to in Articles 4 and 5, shall be made in accordance with the amounts of the schedule attached to this agreement and fourteen days before their due date, as fixed by Articles 4 and 5, in equal shares to the Banks by the director-general of the railway, who shall hand to the Banks in Shanghai or in Hankow, fourteen days before the said due date, funds in Shanghai (Kuei-yang) sycee or Hankow 'Yang-li' sycee sufficient to meet such payments in gold in Europe, exchange for which shall be settled with the Banks on the same day, the railway having, however, the option of settling exchange with the Banks simultaneously at any date or dates within six months previous to any due date for the payment of interest and/or principal. These payments may, however, be made in gold in Europe if the Imperial Chinese Government should happen to have gold funds bona fide at their disposal in Europe not remitted from China for the purpose and desires so to use them.

"In reimbursement of expenses connected with the payment of interest and repayment of principal of the loan, the Banks will receive from the Chinese Government a commission of one-fourth of 1 per cent on the annual loan service.

"ARTICLE 8.—The Imperial Government of China hereby engages that the interest and principal of this loan shall be duly paid in full, and should the revenues of the railways and/or the proceeds of the loan not be sufficient to provide for the due and full payment of the interest and repayment of the principal, the director-general shall memorialize the Throne and the Imperial Government of China shall thereupon make arrangements to insure that the amounts of the deficiency shall be met from other sources and handed over to the Banks on the date upon which funds are required to complete full payment of interest and repayment of principal.

"ARTICLE 9.—The present loan, in respect to both interest and principal, is hereby secured by—

"(1) Hupeh general likin, amounting to two million (2,000,000) haikwan taels a year;

"(2) Hupeh additional salt tax for river defense, amounting to four hundred thousand (400,000) haikwan taels a year;

"(3) Hupeh new additional 2-cash salt tax of September, 1908, amounting to three hundred thousand (300,000) haikwan taels a year;

"(4) Hupeh collection of Hukuang interprovincial tax on imported rice, amounting to two hundred and fifty thousand (250,000) haikwan taels a year;

"(5) Hunan general likin amounting to two million (2,000,000) haikwan taels a year;

"(6) Hunan salt commissioner's treasury regular salt likin, amounting to two hundred and fifty thousand (250,000) haikwan taels a year.

"The above provincial revenues are hereby declared to be free from all other loans, charges, or mortgages.

"So long as the principal and interest of this loan are regularly paid, there shall be no interference with these provincial revenues; but if principal or interests of the loan be in default at due date, then, after a reasonable period of grace, likin and other suitable

internal revenues of the Provinces of Hupeh and Hunan sufficient to provide the amounts above stated shall forthwith be transferred to and administered by the Imperial Maritime Customs in the interest of the bondholders, and so long as this loan or any part thereof shall remain unredeemed it shall have priority, both as regards principal and interest, over all future loans, charges, and mortgages charged on the aforesaid provincial revenues. No loan, charge, or mortgage shall be raised or created which shall take precedence of or be on an equality with this loan, or shall in any manner lessen or impair its security over the aforesaid provincial revenues, and any future loan, charge, or mortgage charged on the said provincial revenues shall be made subject to this loan, and it shall be so expressed in every agreement for every such future loan, charge, or mortgage.

"After the redemption of the existing gold bonds referred to in Article 2 of this agreement, it is understood and agreed that so long as this loan is unredeemed the railway shall, under no circumstances, be mortgaged, nor the receipts given as security to any other parties.

"In the event of the Chinese Government, during the currency of this loan, entering upon definite arrangements for the revision of the customs tariff, accompanied by stipulations for the decrease or abolition of likin, it is hereby agreed on the one hand that such provisions shall not be barred by the fact that this loan is secured by likin and provincial revenues, and, on the other hand, that whatever likin is required to provide for the security of this loan shall neither be decreased nor abolished except by previous arrangement with the Banks, and then only in so far as an equivalent is substituted for it, in the shape of a first charge upon the increase of customs revenue consequent upon such revision.

"ARTICLE 10.—The Banks are hereby authorized to issue to the subscribers to the loan bonds for the total amount of the loan in gold, for such amounts as may appear advisable to the Banks. The form and language of the bonds shall be settled by the Banks, in consultation with the director-general or the Chinese ministers in Berlin, London, or Paris. They shall bear the facsimile of the signature of the director-general and his seal of office, in order to dispense with the necessity of signing them all in person, and the Chinese minister in Berlin, London, or Paris, as the case may be, shall, previous to the issue of the bonds, put his seal upon each bond, with the facsimile of his signature, as a proof that the issue and sale of the bonds are duly authorized by and binding upon the Chinese Government. The representatives of the Banks in Berlin, London, or Paris, as the case may be, shall countersign the bonds as agents for the issue of the loan.

"In the event of the bonds issued for this loan being lost, stolen, or destroyed, the bank concerned shall immediately notify the director-general and the Chinese minister in Berlin, London, or Paris, as the case may be, who shall authorize the bank to insert an advertisement in the public newspapers notifying that payment of the same has been stopped, and to take such other steps as may appear advisable or necessary, according to the laws and customs of the country concerned, and should such bonds not be recovered after a lapse of time to be fixed by the Banks, the director-general and the Chinese minister in Berlin, London, or Paris, as the case may be, shall seal and execute duplicate bonds for a like amount and hand them to the bank, by whom all expenses in connection therewith shall be defrayed.

"ARTICLE 11.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts during the currency of this loan.

"ARTICLE 12.—All details necessary for the prospectus and connected with the payment of the interest and repayment of the principal of this loan, not herein specifically provided for, shall be left to the arrangement of the Banks, in consultation with Chinese ministers in Berlin, London, and Paris. The Banks are hereby authorized to issue the prospectus of the loan as soon as possible after the signing of this agreement; and the Imperial Government will instruct the Chinese ministers in Berlin, London, and Paris to cooperate with the Banks in any matters requiring conjoint action, and to sign the prospectus of the loan.

"ARTICLE 13.—The loan shall be issued to the public in one amount as soon as possible after the signature of this agreement, and not later than twelve months after the date thereof. The price of the bonds to the Imperial Chinese Government shall be 95 per cent of their nominal value. Subscription will be invited by the Banks in Europe and in China both from Chinese and Europeans on equal conditions, preference being given to the application of the Chinese Government, providing such application be made not less than four days before the issue of the prospectus to the public. Seven days' notice of the issue of the prospectus will be given by the Banks to the Imperial Chinese Government.

"ARTICLE 14.—The proceeds of the loan shall be paid to the credit of the 'Hukuang Government Railways account' with the Deutsch-Asiatische Bank, the Hongkong and Shanghai Banking Corporation, and the Banque de l'Indo-Chine in China, Berlin, London, or Paris, as the case may be. Payments of loan proceeds into the credit of this account shall be in installments and on dates conforming to the conditions allowed to the subscribers to the loan. Interest at the rate of 3 per cent per annum shall be granted on the credit balance of the portion of this account kept in Berlin, London, Paris, and interest on

the credit balance of the portion kept in China will be allowed at the Banks' rate for current accounts, to be arranged. Subject to the payments and deductions to be made from the loan proceeds in terms of Articles 2 and 3 of this agreement, the Banks will hold the net balance, with accrued interest, to the order of the director-general. Transfers of the loan funds to China in amounts conforming to actual construction requirements will be made by the director-general on his sole authority; the transfer being effected through the Deutsch-Asiatische Bank, the Hongkong and Shanghai Banking Corporation, and the Banque de l'Indo-Chine, as the case may be; ten days' previous notice will be given to the bank concerned of the transfer of any sum exceeding twenty thousand (£20,000) pounds, and the transerred funds shall remain on deposit with that bank until required for railway purposes. The director-general shall, at his discretion, make transfers from the loan funds held in China by the Banks to the credit of a construction account for the Hupeh section of the Szechuen-Hankow Railway line with the Deutsch-Asiatische Bank, and of a construction account for the Hupeh-Hunan section of the Canton-Hankow Railway line with the Hongkong and Shanghai Banking Corporation. Requisition upon these construction accounts will be drawn in amounts to suit the progress of the construction of the railway lines by orders upon the Deutsch-Asiatische or the Hongkong and Shanghai Banking Corporation, signed by the managing director of the line concerned or, in his absence, by his duly authorized representative, who shall, moreover, two days previous to the presentation of such order, issue in duplicate a certificate stating clearly the object of the funds to be drawn, handing one copy to the auditor (hereinafter referred to) and one copy to the bank concerned.

"The accounts of the railways will be kept in Chinese and English and/or German, in accordance with accepted modern methods, and will be supported by all necessary vouchers. During the period of construction the said accounts and vouchers will be open at any time to the inspection of two auditors for the Hupeh-Hunan section of the Canton-Hankow Railway line and the Hupeh section of the Szechuen-Hankow Railway line, respectively, appointed and paid by the Banks, whose duty it will be to satisfy the Banks as to the due expenditure of the loan funds in accordance with the provisions of Article 3 of this agreement, and to certify to monthly statements of the foreign materials purchased by the railway administration under the provisions of Article 18 hereinafter. The railway administration will publish annually, upon the close of its financial year, a report, in the Chinese and English languages, showing the working accounts and traffic receipts of the railways, which report shall be procurable by the public on application.

"Article 15.—If, after the deduction of the amount required for the redemption of the gold bonds referred to in Article 2 of this agreement, and of the sums necessary for the service of interest on the loan during the time of construction, the balance of the loan proceeds, with accrued interest, should not be sufficient to complete the construction and equipment of the railway lines named in Article 2 of this agreement, the amount of the deficiency shall be provided, in the first place, from such Chinese funds as may be available so as to permit of the uninterrupted continuance of the work of construction, and any balance then uncovered shall be supplemented by a further foreign loan for the amount required, to be issued by the Banks. The interest and other conditions of such supplementary loan or loans will be the same as in the present agreement, and the price payable to the Chinese Government in respect to these supplementary loans shall be the actual rate of their issue to the public, less flotation charges of five and one-half points retainable by the Banks—that is to say, a charge of five pounds ten shillings (£5 10s.) sterling for every £100 bond issued. If after the completion of the lines there should be a balance of the railway's accounts, such unused balance will be transferred to the credit of the interest reserve fund hereinafter mentioned in Article 20 as a provision for payments for which the Imperial Chinese Government is responsible under this agreement.

"Article 16.—If before the publication of the prospectus for the issue of the loan any political or financial crisis should take place by which the markets and the prices of existing Chinese Government stocks are so affected as to render, in the opinion of the Banks, the successful issue of the loan impossible on the terms herein named, the Banks shall be granted a further extension of time, but not beyond eighteen months from the date of this agreement for the performance of their contract. If within this time limit the loan shall have not been issued, then this contract shall become null and void, and advances made by the Banks under the provisions of Article 3 shall be repaid by the Chinese Government with accrued interest, but without any other compensation or remuneration whatsoever.

"Article 17.—The construction and control of the railway lines shall be entirely and exclusively vested in the Imperial Chinese Government, and shall be organized in accordance with the practice at the present time actually in force on the northern section of the Tientsin-Pukow Railway line. For the work of construction the Imperial Chinese Government will select and appoint a fully qualified British chief engineer for the Hupeh-Hunan section of the Canton-Hankow Railway line and a fully qualified German chief engineer for the Hupeh section of the Szechuen-Hankow Railway line who shall be acceptable to the Banks. In the event of the Banks objecting to any proposed appointment, the cause of such objection shall be definitely stated. These two engineers shall be under the orders

of the managing directors of the respective lines, or, in their absence, of their duly authorized representatives, and will carry out all the wishes of the railway administration with regard to the plan and construction of the lines. In their general conduct they shall pay all due respect to the director-general and the managing directors. The terms of their respective agreements will be arranged by the director-general on his sole authority.

"Whenever appointments are to be made or functions defined of the technical employees on the railway staff as well as in the case of their dismissal, the managing director, or in his absence his duly authorized representative, will act in consultation with the chief engineer concerned, and in case of disagreement the matter will be referred to the director-general, whose decision shall be final.

"After completion of construction, and during the currency of this loan, the Imperial Chinese Government will continue to employ Europeans as chief engineers of the said railway lines, these appointments being made without reference to the Banks.

"ARTICLE 18.—For the Hupeh-Hunan section of the Canton-Hankow Railway line, and the Hupeh section of the Szechuen-Hankow Railway line, respectively, (a) a company nominated by the Hongkong and Shanghai Banking Corporation and approved by the director-general and (b) the Deutsch-Asiatische Bank will act as agents of the railway administration during construction for the purchase of all materials, plant, and goods required to be imported from abroad. For all important purchases of such materials tenders shall be called for by the managing director concerned; in the case of all tenders, indents, and orders for the importation of goods and materials from abroad the said agents shall purchase the materials required on the terms most advantageous to the railways, and shall charge the original net cost of same plus a commission of five per cent (5%). It is understood that no orders for materials shall be executed or any expenditure incurred without due authorization of the managing director concerned.

"In return for payment of commission as above stated the aforesaid company nominated by the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank as agents for the respective railway lines shall be prepared to superintend the purchase of all foreign materials required for their construction and equipment which shall be purchased in the open market at the lowest rate obtainable, it being understood that all such materials shall be of good and satisfactory quality, and that the railway administration shall have the right to reject, on arrival in China, materials which are not in accordance with the original order. At equal rates and qualities goods of British, French, and German manufacture shall be given the preference over other goods of foreign origin. The railway administration reserves the right, while paying the above stipulated commission to the said agents in respect to all purchases of foreign materials, to avail itself of the services of other agents in China or abroad should it see fit to do so. Original invoices and inspectors' certificates are to be submitted to the managing director concerned; all return commissions and rebates of every description shall be credited to the railways, and all purchases made by the agents on behalf of the railway shall be supported by manufacturers' original invoices and inspectors' certificates. No commission shall be paid to the agents except as above provided; but it is understood that the railway administration shall provide out of the railway funds for the remuneration of consulting engineers whenever their services are engaged.

"With a view to the encouragement of Chinese industries preference will be given, at equal prices and qualities, over British, French, and German or other foreign goods to Chinese goods and materials manufactured in China, such cases being left to the decision, in consultation with the chief engineer, of an inspector appointed by the Imperial Chinese Government. No commission will be paid on purchases of such Chinese materials and goods.

"It is understood and agreed that after the construction of the lines is completed the aforesaid company nominated by the Hongkong and Shanghai Banking Corporation and the Deutsch-Asiatische Bank will be given the preference for agency business for the respective lines, during the currency of the loan, for the supply of foreign materials which the railway administration may require on terms hereinafter mutually agreed upon.

"ARTICLE 19.—Branch lines in connection with railway lines named in Article 2 of this agreement that may appear profitable or necessary later on shall be built by the Imperial Chinese Government with funds at its disposal from Chinese sources; but if foreign capital is required, preference will be given to the Banks.

"ARTICLE 20.—After payment of interest and repayment of principal of this loan for any current year the railway administration will deposit with the Banks in Shanghai or Hankow any surplus of the net revenue of the railway lines for that year up to the amount required to pay the following year's installments of interest on the loan, the rate of interest on the deposit being arranged with the Banks from time to time, with due regard to the conditions of the market.

"ARTICLE 21.—All expenses in connection with the flotation and issue of this loan, such as underwriting, commission and brokerage, telegraph charges, advertising, postage, printing of prospectus and bonds, stamp duty, and legal fees shall be borne by the Banks.

"The Chinese officials acting in the matter of this loan do not receive any commission whatsoever.

"ARTICLE 22.—The Deutsch-Asiatische Bank, the Hongkong and Shanghai Banking Corporation, and the Banque de l'Indo-Chine shall take the loan in equal shares and without responsibility for each other.

"ARTICLE 23.—The Deutsch-Asiatische Bank, the Hongkong and Shanghai Banking Corporation, and the Banque de l'Indo-Chine may subject to all their obligations under the agreement, transfer or delegate all or any of their rights, powers, and discretions thereunder to any German, British, or French company, directors, or agents, with power of further transfer and subdelegation, such transfer, subtransfer, delegation, or subdelegation to be subject to the approval of the director-general.

"ARTICLE 24.—This agreement is signed under the authority of an imperial edict dated the —— day of the fourth moon of the first year of the Emperor Hsuan T'ung, corresponding to the —— June, 1909, western calendar, which has been officially communicated to the ministers of Great Britain, France, and Germany in Peking by the Wai-wu Pu.

"ARTICLE 25.—Seven sets of this agreement are executed in English and Chinese, four sets to be retained by the Imperial Chinese Government and one set by each bank. In the event of any doubt arising regarding the interpretation of the contract, the English text shall rule.

"Signed at Peking by the contracting parties this 19th day of the fourth moon of the first year of the Emperor Hsuan T'ung, corresponding to the 6th day of June, 1909, western calendar."

With the support of the American Government, the American group claimed a right of participation in the loan for this purpose, basing its claim upon two notes which the Wai Wu Pu had addressed to the American Minister in 1903 and 1904, of which the translations (as printed in *For. Rel.* 1909, p. 175) are as follows:

"The Chinese Foreign Office to Minister Conger.

"FOREIGN OFFICE,
"Peking, August 15, 1903.

"We have the honor to acknowledge the receipt yesterday of your excellency's note, saying that you had read in a London newspaper a statement to the effect that two British companies had applied to the Chinese Government for a concession to build a railway from Hsin-yang, in Hunan, via Hsiang-yang in Hupeh to Ch'eng-tu, Szechuen; that the said paper also said that there were Chinese who desired to construct the road, and that in the future, if foreign capital should be borrowed, it was proposed to first consult with the aforesaid two companies; that your excellency had to state clearly that your countrymen had long ago asked for a concession to build through the region mentioned, and that you had talked with us about it in a personal interview and had said that if it should be desired to borrow money for this purpose offers ought first to be made to the Americans; that if it should be allowed foreigners to construct the road, the concession ought first to be offered to Americans; that if arrangements should be made with others which would interfere with the just rights of Americans, you must enter your protest against them.

"Our board finds on examination that with respect to the building of the Hankow-Szechuen Railway an English company had applied in the XXV year of Kuanghsu for such a concession, which was not granted; afterwards, in the fourth moon of the present year, the British chargé, Mr. Townley, had several times requested that the concession be given to British companies, and at that time our board replied that it had originally been proposed that the Chinese should themselves construct this road; that if in the future it should appear that the capital was not sufficient or that foreign capital ought to be borrowed, since British and American companies had successively applied for concessions to build the road, when the time came application could be made to the British and American companies. In short, when companies of various nationalities apply to China for railway concessions, it must always remain with China to decide the matter. It is not possible to regard an application not granted as conferring any rights or as being proof that thereafter application must first be made to the persons concerned.

"As in duty bound, we send this reply for your excellency's information.

"We avail, etc.

"(Sixth moon, 23rd day.)"

"The Prince of Ching to Minister Conger.

"FOREIGN OFFICE,
"Peking, July 18, 1904.

"I have the honor to acknowledge the receipt of your excellency's letter of recent date, as follows:

"'I have the honor to inform Your Imperial Highness that I am in receipt of a letter from Mr. A. W. Bash, agent of the China Investment and Construction Company, requesting me to forward to Your Imperial Highness the inclosed letter, in which he makes application for a concession to provide a loan for the construction of a railway line from Ch'eng-tu, Szechuen, to Chungking and Hankow, in case the viceroy of Szechuen should find himself unable to prosecute his reported plan to raise money from native sources for such a line. He begs that your board will place his application on file. I have much pleasure in complying with Mr. Bash's request, and so forward the application inclosed.'

"In regard to the above I have the honor to state that the viceroy of Szechuen is even now engaged in selling shares and accumulating capital from Chinese sources for the purpose of building the line from Hankow to the Province of Szechuen. It is not intended that foreign capital shall be used, but if in the future the native capital proves to be insufficient, or if a time comes when they wish to borrow funds from foreigners to fill in with, then will the matter be dealt with as proposed in the letter written by my board to your excellency in the sixth moon of last year (August 15, 1903), and companies composed of Englishmen and Americans will be consulted. As for the application of the China Investment and Construction Company, it can not be conveniently granted for the present.

"It is my duty in the premises, therefore, to make this reply to your excellency, that you may be informed of the matter, and I trust that your excellency will issue proper instructions to the above-mentioned company.

"I take, etc."

Consult *For. Rel.*, 1909, pp. 144-215, and 1910, pp. 269-291, in regard to the negotiations for the admission of the American group to equal participation with the other banks. The terms of cooperation among the banking groups of the four nationalities were settled by an agreement reached at a conference of their representatives at Paris, May 23, 1910, of which the text (together with the minutes of a meeting of their committee on the same date) is thus printed in *For. Rel.*, 1910, p. 280:

Inter-Bank Railway Agreement among American, British, French and German Banks, May 23, 1910.

"Parties:

The British and Chinese Corporation, Limited, Chinese Central Railways, Limited, representing the British group.
The Deutsch-Asiatische Bank, representing the German group.
The Banque de l'Indo-Chine, representing the French group.
Morgan, Grenfell & Co., representing the American group.

"1. The British, German, French, and American groups agree to enter into an agreement with the Chinese Government for a loan of £6,000,000 and any supplementary loans to be issued in connection therewith for the above railways on the basis of the two draft agreements approved by the parties hereto and initialed by them, being the draft original loan agreement, with accompanying despatch and a draft supplemental loan agreement.

"2. This loan to be divided equally between the four groups, and to be issued simultaneously.

"3. All orders for materials to be divided as far as possible equally between the four groups.

"3*a*. The American group shall share equally in the commissions on the purchase of materials, plant, and goods allowed by the terms of article 18 of the original loan agreement.

"4. In regard to the appointment of chief engineers and subengineers for the lines contemplated by the original loan agreement it is agreed that the chief engineer for the Hankow-Canton Railway is to be appointed by the British and Chinese Corporation, Limited; that the chief engineer for the Ichang-Hsiangyang-Kuangshui line and the Ichang-Hanyang line, to the length of about 800 kilometers, is to be appointed by the German group, which is to provide for the appointment by the American group of a subengineer for a section of these lines to the length of about 200 kilometers. With regard to the proposed extension of the line from Ichang or Hsiangyang to Ch'eng-tu, which is estimated to be 1,600 kilometers in length, the chief engineer for the first 400 kilometers is to be appointed by the American group; the chief engineer for the next 600 kilometers is to be appointed by the British group, and the chief engineer for the remaining 600 kilometers is to be appointed by the French group. If the extension of the line above referred to should be less than 1,600 kilometers in length, then the above-mentioned lengths of 400, 600, and 600 kilometers shall abate proportionately. If the extension of the line above referred to should exceed in length 1,600 kilometers, then the appointment of chief engineers of the excess between 1,600 kilometers and 2,200 kilometers shall be apportioned equally between the American, British, and French groups. If such extension should exceed in length 2,200 kilometers, then the appointment of chief engineers of the surplus over 2,200 kilometers shall be divided as nearly as possible equally among the four groups.

"5. Each of the groups to apply to their respective bourses for the internationalization of the above loans.

"6. The stamp duties on the bonds to be pooled and divided equally between the four groups, but this is not to be treated as a precedent for future loans. All other expenses of issue to be borne by the respective groups.

"7. The preliminary expenses incurred by the four groups prior to the signing of this agreement shall be shared by the four groups upon an equitable basis.

"For the British group:	Carl Meyer.
	C. S. Addis.
	G. Jamieson.
"For the German group:	Fr. Urbig.
	E. Rehders.
"For the French group:	J. Caillaux.
	St. Simon.
	Ullmann.
	Casenave.
"For the American group:	E. C. Grenfell.
	H. P. Davison.
	Max Warburg.
	H. H. Harjes.
	Willard Straight."

"FRENCH, BRITISH, GERMAN, AND AMERICAN GROUPS.

"*Minutes of a meeting held at the Banque de l'Indo-Chine on 23d May, 1910, of the committee appointed at the meeting of the four groups held that day.*

"Present:

Mr. F. Urbig, in the chair.
Mr. M. Casenave.
Mr. G. Jamieson.
Mr. W. D. Straight.

"The following resolutions were passed:

"1. *Preliminary expenses.*—That to carry out and give effect to clause 7 of the agreement between the four groups drafted at the meeting of the groups held that day, the American group pay to the French, British, and German groups respectively the sum of £1,500, being 1 per 1,000 on the share of the loan allotted to the American group.

"2. *Purchasing arrangements.*—That the existing arrangements of article 18 of the original loan agreement be allowed to stand, provided that the two purchasing agents give to the French and American groups a letter in the following terms, and provided moreover that said purchasing agents shall be bound to report as far as possible to any group requesting such information regarding the purchase of materials under the instructions of the director-general in accordance with the provisions of the original loan agreement with accompanying despatch and the supplemental loan agreement:

"'We beg to inform you that we have been appointed purchasing agents for Hankow-Canton, Hankow-Szechuen railways, in accordance with article 18 of the Hukuang loan agreement initialed on the 6th June, 1909.

"'In view of the terms of said loan agreement with accompanying despatch and the agreement supplementary thereto providing for the admission to participation of the American group and securing equal consideration for British, German, French, and American materials and equal facilities for the receipt of tenders in the markets of the four countries, we beg to state that we will take all steps necessary to assure the above-mentioned consideration for French-American materials and make all proper provision for the receipt on an absolute basis of equality of tenders from British, German, French, and American manufacturers.'

"3. *Commission on materials.*—As regards commission on materials it was resolved that one-fifth be retained by purchasing agents to cover expenses; that the balance be divisible;

"On Hankow-Canton: One-fourth each to the British and Chinese Corporation, Limited, the French group, the German group, and the American group.

"On Hankow-Szechuen: Two-fourths to Chinese Central Railways, Limited, one-fourth to the German group, and one-fourth to the American group.

"4. *Rotation of purchasing agents.*—It was also resolved that upon any new loan being negotiated for the purposes of the extension referred to in article 4 of the agreement of the 23d May, 1910, the group which is entitled to the appointment of chief engineer shall be entitled to nominate the purchasing agent.

"(Signed)	F. Urbig.
	G. Jamieson.
	M. Casenave.
	W. D. Straight."

In connection with the loan agreement of May 20, 1911, consult the following correspondence supplementary thereto:

Exchange of Communications between Ministry and Banks, March 1 and 3, 1913.

The Minister of Communications to the representatives of the Deutsch-Asiatische Bank, the Hongkong and Shanghai Banking Corporation, the Banque de l'Indo-Chine and the American group.

[Official translation, as printed in *Wang*, p. 585.]

"*Peking, March* 1, 1913.

"Gentlemen:

"I duly received the letter of the representatives, dated the 11th of July last, in which were submitted four points for discussion. I beg to state that frequent discussions have already taken place and that more than half a year has elapsed since our joint discussion of the 28th of September. A solution has not yet been arrived at. Construction work is in abeyance for lack of funds. Both parties have agreed that no further delay should occur.

"We have mutually agreed that this ministry shall address a dispatch to you setting forth a method of procedure and I would request that you will assent thereto and favor us with a reply so that funds to meet requirements may be speedily made available.

"The method of procedure decided upon, under four headings, is as follows:

"1. It has already been arranged that the Ssu-ch'uan Commercial Railway shall be taken over and operated by the Government. The Commercial Railway line of the Canton-Hankow Railway in Hunan has already been taken over by Director General Huang in Hunan. The survey of the Canton-Hankow Railway in Hupei is nearing completion and arrangements have been made for commencing work at the Wuchang end. The German engineer-in-chief and the American engineer-in-chief have already been appointed and before many days will proceed to make the survey of their respective sections. The above may all be considered as a simultaneous commencement of work on the four railway lines.

"2. According to the terms of Article 14 of the loan agreement one-half of the proceeds of the loan funds transferred to China shall be deposited with the Chiao-Tung Bank or with the Ta-Ching Bank. It is now agreed that the funds transferred to China shall be temporarily deposited with the Deutsch-Asiatische Bank, the Hongkong and Shanghai Banking Corporation, the Banque de l'Indo-Chine and the International Banking Corporation, designated by the American group, in readiness to be drawn upon from time to time as required for the work until such time as either the Chiao-Tung Bank or the Ta-Ching Bank has been reorganized as the State Bank of China and has established its credit, and business relations with foreign banks have been mutually resumed. When such time comes the Government may consult with the groups as to a reversion to the method of procedure laid down in Article 14 of the loan agreement by which the deposits of the proceeds of the loan funds shall be shared with the Chiao-Tung Bank or the State Bank of China as agents.

"3. For the purpose of now removing the bondholders' apprehensions that the amount of the likin specified in the agreement as security may have been decreased, the property and materials of the railway are hereby specially given as a provisional guarantee that the likin is unimpaired. Excepting this all other conditions should be carried out in accordance with the loan agreement. In the future whenever the Chinese Government is able to demonstrate that the likin is not only unimpaired but assignable by the Central Government, or to find some other suitable security then the said guarantee of the security shall be immediately cancelled and annulled and it shall be unnecessary to substitute this with any other guarantee. In the event of the Chinese Government drawing up new regulations consequent upon the abolition of likin the same shall be carried out in accordance with Article 9 of the loan agreement.

"4. By Article 14 of the loan agreement auditors are to be engaged by the banks for the inspection of the accounts. Their duty, as a matter of course, will be to investigate, to consult and make enquiries. They should therefore be in constant attendance at the railway accounts office so that they may be closely connected and acquainted with the affairs relative to their office and they shall continue to function during the time of construction and so long afterwards as the mortgage of the railway, referred to in heading No. 3 of this letter, shall remain in force. In case of doubt as to the employment of loan funds or of any railway revenues, then the auditors are empowered to suspend payment of requisitions until satisfactory explanations are received by them from the managing director and/or the director general. It has already been decided that railway accounts shall be kept in Chinese and English in accordance with modern methods. China, actuated by the desire to have accounts kept so that they shall be clear for auditing, will herself forthwith engage experienced foreign accountants whose executive power and appointment to the various railway sections shall be entirely and exclusively controlled by the director general. The director general shall have the sole power of engaging or dismissing the accountants. These

appointments are made by the Chinese Government and have no concern whatever with the loan agreement.

"With regard to the control of the railway material during the time of construction it is necessary to make proper arrangements. The managing director and the engineer-in-chief should select a foreign engineer to be stationed at the storeyards to control, supervise and keep records and in the event of damage, loss or misuse the managing director and the engineer-in-chief shall be responsible.

"The above points having been mutually determined upon verbally I have to request that you—the representatives—will promptly reply and proceed to carry out the agreement and thus avoid further loss upon the part of the railways.

"With compliments, etc.,

(Signed) "CHU CHI-CHIEN
"*Minister of Communications.*" (SEAL)

The Representatives of the Banks to the Minister of Communications.

[Text as printed in *Wang*, p. 591.]

"*Peking, March* 3, 1913.

"Sir,

"We have the honor to acknowledge receipt of your letter of the 1st instant setting forth under four headings the procedure which has been agreed upon for carrying out the purposes of the Hukuang Railways loan agreement, as follows:

[Headings 1, 2, 3 and 4 as in the letter of the Minister of Communications, above.]

"In reply we have the honor to state that we are now prepared to arrange for the transfer of loan funds to China for purposes of survey and/or construction in amounts as may be necessitated by the progress of the work.

"Arrangements are now being made for the engagement of auditors in terms of the loan agreement, and pending their appointment we are prepared to designate members of our banks' staffs in Hankow to act provisionally as auditors for the Hupei-Hunan section of the Canton-Hankow line and the Hupei section of the Hankow-Ssu-ch'uan line respectively.

"We shall be glad to learn from you as soon as possible the names of the foreign accountants whom it is the intention of the Chinese Government to engage in accordance with the provisions of heading No. 4 above.

"We have the honor to be, Sir,

Your obedient servants,

"For the Hongkong and Shanghai Banking Corporation.
(Signed) E. G. HILLIER, *Agent.*

"For the Deutsch-Asiatische Bank
(Signed) H. CORDES.

"For the Banque de L'indo-Chine
(Signed) R. SAINT PIERRE.

"For the American Group
(Signed) F. H. MCKNIGHT."

Memoranda of September 12, 1913, and Accompanying Correspondence.*

Director-General Feng to Representatives of the Four Groups.

"Peking, 12th September, 1913.

"Gentlemen,

"I have the honour to acknowledge the receipt of your letter of September 4th with reference to the omissions to be made in the Draft Memorandum of September 3rd., Article IV. paragraph (e) and in the Annex, Article II.

"It has now been agreed to omit the whole of the two Clauses above mentioned. I intend upon my return to Hankow immediately to embody the terms of the two said Clauses in the Departmental Regulations.

"The two Clauses in question read as follows:

"*Memorandum I. Article IV. Paragraph (E) (Draft of 3rd September.)*

"'The mode of transmitting all funds required by the Engineer-in-Chief for his District Engineers for survey or construction expenditure, shall be settled by the Managing Director in consultation with the Foreign Accountant concerned, with due regard to their

* Translation. Bank's print.

safe, economical and speedy transmission, full consideration being given to the recommendations of the Engineer-in-Chief.

"'The District Engineers shall receive, take charge of and account for all funds sent to their districts.'

"*Memorandum II, Article II (Draft of 3rd September.)*

"'District Engineers will have charge of all stores and materials in their districts, and will be authorised to call for tenders where necessary for construction work and to submit the same with their recommendations to the Engineer-in-Chief for selection. The Engineer-in-Chief will submit his selection to the Managing Director for approval and sanction, which decision will be given with all possible dispatch in order to avoid delay in construction.'

"I have the honour to be, Gentlemen,
"Your obedient servant,
"(Sd.) FENG YUAN TING."

Director-General Feng to Representatives of the Four Groups.

"Peking, 12th September, 1913.

"To the Hongkong and Shanghai Banking Corporation,
" Deutsch-Asiatische Bank,
" Banque de l'Indo-Chine, and
" American Group.
"*Peking.*

"Sirs,

"With reference to the Memorandum of Procedure for Transfer and Expenditure of Funds and Auditing of Accounts in Five Articles with the Annex regarding Construction and Purchase of Materials in Two Articles, for the Hukuang Railways, as agreed to in our meetings. I beg to enclose you herewith copies of these Memoranda for your information and acceptance, and shall be glad to be favoured with your reply confirming the same.

"I am Sirs,
"Your obedient servant,
"(Sd.) FENG YUAN TING."

"HUKUANG RAILWAYS.

In order to put into operation the terms of the Letters of Agreement of March 1st and 3rd 1913, the following rules of procedure for the transfer and expenditure of funds in five Clauses and the Annex thereto regarding construction and purchase of materials in two Clauses have been agreed upon.

"*Memorandum of Procedure for the Transfer and Expenditure of Funds.*

"1. In the second half of each month estimates of construction and administrative expenditure for the following month shall be made out by the Foreign Accountants of the Sections concerned based upon the forecasts (*vide* also Memorandum regarding construction etc.) supplied to them by the Managing Director and Engineer-in-Chief concerned (signed copies of which forecasts are to be attached thereto.) Each estimate will be accompanied by a statement prepared and signed by the Foreign Accountant concerned, showing:—

"(a) Available balance at the credit of the Construction Account concerned on date of report.
"(b) Actual cash balance of all imprest accounts.
"(c) Approximate expenditure until the end of the current month.
"(d) Gold balances of the Hukuang Government Railways Accounts in Europe and/or America.

"2. Funds cannot be expended for any purposes other than those for which they were requisitioned in the estimate. Should it be found that additional funds are required for unforeseen contingencies during any month, such funds must be requisitioned for under a supplementary estimate to be dealt with in accordance with the ordinary procedure for monthly requisitions.

"3. The monthly estimates and statements above mentioned shall be submitted for sanction before the 20th of every month to the Director-General of the Railways in Hankow, who has been duly empowered by the Ministry of Communications to act as its representative, and copies will be forwarded in due course to the Banks and Auditors concerned.

"After the Director General has sanctioned these estimates and statements and after they have been passed with all due dispatch by the Auditor concerned, the Director-General will direct the Banks to transfer to China an equivalent amount from the loan funds to be credited to the Construction Account concerned.

"It is understood that the provisions of Article 14 paragraph 5 of the Loan Agreement for the forward settlement of exchange still holds good, subject always to the amounts settled being based upon approximate monthly forecasts by the departments concerned.

"4. Funds having passed into Construction Account are then available for expenditure in accordance with the following procedure devised to meet the conditions of the Loan Agreement Article 14 paragraph 9, and the Letters of Agreement of 1st and 3rd March, which require that:—

'the accounts of the Railways shall be kept in "English and Chinese in accordance with accepted modern methods"'

and that:

"'they shall be clear for auditing.'

"(a) All bills and paysheets must be certified by the heads of departments concerned, and initialled and chopped as correct by the Foreign Accountant before they can be paid, with the exception of payments coming under Clause 5 of this Memorandum and of expenditure incurred by District Engineers from their Imprest Accounts.

"(b) Wherever practicable, payments must be effected by cheques; where payment by cheque is not practicable such payment will be made in cash by the Cashier from an Imprest Account to be furnished to him by the Foreign Accountant.

"(c) The Cashier will keep a Cash Book for recording all payments made by him. At the close of each day he will hand to the Foreign Accountant a copy of his cash account for the day, accompanied by all vouchers for entry in the Cash Book kept by the Foreign Accountant, together with a Statement of his balance, and will, if desired, produce his cash for inspection by the Auditor.

"(d) All cheques shall be prepared by the Foreign Accountant and shall be certified as correct by his signature. He will then present them, together with the relative documents to the Managing Director for his approval and signature.

"After the Managing Director has signed the cheques they will remain in the charge of the Foreign Accountant who will be responsible for the safe delivery of the cheques or their proceeds to the payees.

"(e) Funds required for land purchase as shown in the Engineer-in-Chief's monthly forecast shall be paid by cheque to the Land Office in amounts to meet immediate requirements, and the relative land transfer certificates must be sent by the Managing Director without delay to the Foreign Accountant for comparison and entry.

"5. The expenditure of the Director-General's establishment will be a fixed monthly sum of $15,000 to be paid against the receipt of the Director-General.

"The salaries and allowances of the Managing-Director's establishment, not including the Foreign Accountant's department, shall also be a fixed monthly sum to be arranged from time to time with the Auditor concerned, and to be approved by the Director-General.

"This amount will be paid against the receipt of the Managing-Director.

"ANNEX.

"Memorandum Regarding Construction and Purchase of Materials.

"1. In order to secure efficiency of construction of the Railways, which at present form the sole security for the Loan, all executive work comprised under the ten main heads of the form of monthly forecast approved by the Director-General and attached hereto, will be carried out by the Engineer-in-Chief, and all orders for the purchase of materials shall be prepared by him, subject always to the authority and approval of the Managing Director.

"2. In the case of all orders for the purchase of materials (except Chinese materials and goods manufactured in China on which no commission is chargeable) copies of requisitions relating thereto shall be handed to the Purchasing Agents without delay in order to enable them to make the necessary arrangements for calling for tenders or placing the orders on the open market, under the terms of Article 18 of the Loan Agreement.

"Peking, 12th September, 1913."

"CANTON-HANKOW RAILWAY.

"Hupei-Hunan Section.

Hankow.

1913.

"ENGINEERING DEPARTMENT.

"Forecast of Cash Requirements by Main Heads for Month 1913.

"Main Head.	Amount	Remarks.
1. Preliminary Expenses.	$ 17,000. 00.	
2. Land.	$ 148,000. 00.	
3. Formation.	$ 35,000. 00.	
4. Bridge Work.	$ 210,000. 00.	
5. Fencing.	$ 500. 00.	
6. Telegraph.	$ 2,500. 00.	
7. Track.	$ 25,000. 00.	
8. Stations & Buildings.	$ 150,000. 00.	
9. Plant.	$ 10,000. 00.	
10. General Charges.	$ 37,000. 00.	
	$ 635,000. 00.	
Stores.		
Local Purchases.	$ 5,000. 00.	
Foreign Purchases.	$ 320,000. 00.	
"Total:	$ 960,000. 00.	

Dollars Nine Hundred and Sixty Thousand.

"Approved.

"Managing-Director.

"1913.

"Designation Engineer-in-Chief, 1913."

The Representatives of the Banks to Director-General Feng.

"Peking, 12th September, 1913.

"The Honourable Mr. FENG YUAN TING,
Director-General,
Hankow-Canton and Hankow-Szechuan Railways.

"Sir,

"We have the honour to acknowledge receipt of your letter of to-day's date, enclosing for our information and acceptance copy of the Memorandum of Procedure for Transfer and Expenditure of Funds and Auditing of Accounts, in Five Articles, with the Annex regarding Construction and Purchase of Materials in Two Articles for the Hukuang Railways, as agreed to in our Meetings.

"In reply, we have the honour to confirm our acceptance of the same.

"We have the honour to be, Sir,
Your obedient servants,
"For the Hongkong and Shanghai Banking Corporation,
E. G. HILLIER, *Agent.*
"For the Deutsch-Asiatische Bank,
A. J. EGGELING.
"For the Banque de l'Indo-Chine,
R. SAINT PIERRE.
"For the International Banking Corporation,
D. A. MENOCAL, Manager.
On behalf of the American Group."

Exchange of Communications between the Banks and the Ministry, September 26, 1913.—January 23, 1914.

Banks to Ministry, September 26, 1913.

"Peking, 26th September, 1913.

"To The Honourable Mr. Chou Tzu-ch'i,
Minister of Communications.

"Sir:

"The regulations recently issued by the Director-General of the Hukuang Railways for the transfer and expenditure of Loan funds and for the carrying out of construction

and purchase of materials, marked the commencement of active work upon that system of railways, the construction of which with all possible dispatch, the Chinese Government rightly regards as of the first importance for the improvement of communications and the pacification and development of the provinces to be traversed.

"Not only is it the desire of the Groups responsible for the financing of these Railways to assist by every means the objects of the Central Government, but the fact that by the special arrangement concluded under the letters of the agreement of the 1st and 3rd March last, the Loan is secured by a mortgage on the lines to be constructed, gives them an additional interest in their sound construction and profitable development.

"Of the railway lines contemplated under the Loan Agreement, the section between Ichang and Kweifu will undoubtedly be the most difficult and costly, and the heavy expenditure required for its construction could only be justified by its extension westwards to Chengtu, whereby the wealth and productiveness of the province of Szechuan could be brought into direct communication with the trade of the Lower Yangtze.

"In order, therefore, that the heavy expenditure upon the section in question may be made remunerative with the least possible delay, and that the earning power of the railway line may not be prejudicially affected by the granting of concessions for other lines, the Groups' Representatives feel it their duty to urge that an immediate decision should be come to, with regard to the construction of the required extension, and that arrangements should be made for its survey to Chengtu during the coming winter, in order that construction may be commenced as soon as possible.

"The financing of such an extension is provided for by the terms of Article XIX of the Loan Agreement, under which, in the event of the Chinese Government requiring to borrow foreign capital, preference is to be given to our Groups.

"It appears to the Groups' Representatives important that the cost of this survey should not be a charge upon the funds of the present loan, which are already clearly insufficient for the work at present in progress, and they would therefore be glad to recommend to their Groups the advance of the necessary funds.

"We have the honour to submit the foregoing remarks for your consideration, and to request that you will be so good as to inform us as early as possible as to the views of the Chinese Government on the matters in question.

"We have the honour to be, Sir,

"Your obedient servants,

"(Signed by

"The Representatives of the Groups.)"

Banks to Ministry, October 27, 1913.

"Peking, 27th October, 1913.

"To The Honourable Mr. Chou Tzu-chi,
Minister of Communications.

"Sir,

"We have the honour to acknowledge receipt of your letter of to-day's date, informing us that your Ministry has now concluded an Agreement with the Hunan Railway Company, whereby the Hunan Section of the Hankow-Canton Railway is to be nationalised forthwith, in consideration of delivery by your Ministry to the Company of Chinese Government Treasury bonds for an amount—subject to final adjustment of accounts—of approximately twelve million dollars, the first instalment of which, amounting to $684,950 plus the amount of interest due for October of this year amounting to $25,000, making a total of $709,950.00, becomes due on October 31st, 1913.

"Your Ministry now requests the payment from loan funds of the said sum of $709,950.00 (which does not include the Szechuan-Hupei Line), to be considered as the first instalment of further payments from loan funds up to an aggregate amount not exceeding the final valuation of the Hunan Section by the British Engineer-in-Chief.

"You state that it has been agreed between your Ministry and the Hunan Railway Company that on payment of the aforesaid first instalment of $709,950, the Company will forthwith relinquish all its rights in respect to the said section, and will look solely to the Chinese Government for the payment, when due, of all further instalments in excess of the estimate of the Engineer-in-Chief, without recourse against the Hukuang Railways. Further that a declaration to the effect that the Chiao Tung Bank has been designated by the Central Government its Agent for the repayment of principal and payment of interest of these bonds without recourse against the Hukuang Railways will be stamped on the Chinese Government bonds above-mentioned before their issue by your Ministry, in order to show clearly that the said railway line is to be forthwith incorporated in the Hupei-Hunan Section of the Canton-Hankow Railway, as part of the security for the Hukuang Railways Loan (that is to say the security mentioned in the letter of March 1st, 1913).

"As evidence of this understanding your Ministry enclose for our information copies of telegrams which have been exchanged with its four delegates sent to Hunan.

"In reply we have the honour to inform you that we agree to the conditions stated in your letter and referred to above, and are prepared to receive your instructions with regard to the transfer from the loan funds of the equivalent of $709,950.00, the proceeds of which our Branches in Hankow will be requested to hold at your disposal for payment to the Hunan Railway Company.

"We have the honour to be,
Sir,
"Your obedient servants.
"(Signed by the Representatives of the Groups.)"

Banks to Ministry, January 22, 1914.
[Text as printed in *Wang*, p. 601.]

"*Peking, 22nd January,* 1914.

"The Honourable Mr. Feng Yuan Ting,
Vice-Minister of Communications and
Director-General, Hukuang Railways.

"Sir:

"We have the honour to acknowledge the receipt of your letter No. 1 of 22nd January, in which you set forth under five headings the understanding now reached with regard to the redemption of the Hunan and Szechuan Railways as follows:—

"'1.—In accordance with the report of the Engineer-in-Chief, Mr. Collinson, the materials, and property of the Hunan Railway Company are worth at least $2,300,000. The first instalment of the principal and interest upon the shares amounting to $709,950 has been paid, and provision has been made by the above mentioned transfer of £55,000 for the payment of $554,150 due on account of the second instalment of the principal and interest of the Hunan Railway Company's shares. In addition, it has been decided to make a provision of $1,000,000 to meet payment of the debts of the Hunan Railway Company on account of materials, &c. The total of the above amounts is within the amount of $2,300,000 estimated to be the minimum value of the line by the Engineer-in-Chief.

"'2.—With the exception of the sums enumerated above, the Ministry of Communication takes full and entire responsibility for the payment of all money due to the Hunan Railway Company for redemption of the railway and for payment of its debts of every description.

"'3.—Should the final estimate of the Engineer-in-Chief exceed the aforesaid sum of $2,300,000, the amount of excess shall be paid from loan funds in terms of the Letter of Agreement of 27th October, 1913.

"'4.—In the event of there being a surplus from the $1,000,000 provided for the payment of the debts of the Hunan Railway Company after all claims have been paid, it shall be applied to the payment of the principal and interest upon the shares of the line, in terms of the letter of Agreement of 27th October, 1913.

"'5.—With regard to the payment to be made for the redemption of the Hunan and Szechuan Railways, the Loan Agreement only allows £600,000 for this purpose. The total amount of money for redemption of the two lines from loan funds must therefore not exceed £600,000, but in case this should prove insufficient it is agreed that the necessary appropriation shall be made from the second series of the loan provided for under Article 15 of the Loan Agreement, it being understood that the total appropriation of loan funds from the first and second series for the resumption of the said lines shall not exceed their final Valuation by the Engineer-in-Chief.'

"In reply we have the honour to confirm that we agree to the above five clauses on condition that we receive from the Minister of Communications the reply to our letter of September 26th last respecting the extension of the Szechuan Railway, asked for in our letter No. 2 of to-day's date.

"We have the honour to be, Sir,
"Your obedient servants,
"(Signed) E. G. Hillier,
" H. Cordes,
" R. Saint Pierre,
" D. A. Menocal."

Banks to Ministry, January 22, 1914.

"Peking, 22nd January, 1914.

"The Honourable Mr. Chou Tzu-ch'i,
Minister of Communications.

"Sir,

"On the 26th September and 11th November last we addressed you on the subject of the extension of the Ichang-Kweifu section to Chengtu, and the importance of an

immediate decision on this matter being taken by the Chinese Government in view of the expenditure which is now about to be made on the section in question.

"In the meantime an understanding has been arrived at with the Director-General with regard to the resumption of the Huna (Hunan) and Szechuan Provincial Railways, which makes it desirable to deal comprehensively with the whole question of the Han-Yüeh-Chuan Railways.

"According to the Loan Agreement the Hupei-Hunan section of the Canton-Hankow Railway stops in the district of Yichanghsien on the border of Hunan Province. But unless this line is extended and connection with Canton completed, it cannot be made a commercial success, and there appears to be no certainty as to when the line now under construction by the Canton Provincial Company will be completed to the border of Hunan.

"We would therefore beg to state that if the Chinese Government should decide to change the present commercial status of the Provincial Railway, and should find it necessary to borrow capital for that purpose, the Group Banks will be prepared to furnish the funds necessary for dealing with this matter in accordance with the intentions of the Chinese Government.

"We have the honour to request that if the above proposal in regard to the Canton extension meet your wishes, you will be good enough to inform us in this sense, and at the same time favour us with a reply to our letter of 26th September last with regard to the Szechuan extension.

"We have the honour to be, Sir,

"Your obedient servants,

"(Sd.) E. G. HILLIER,
HEINRICH CORDES,
R. SAINT PIERRE,
D. A. DE MENOCAL."

Ministry to Banks, January 23, 1914.

[Translation.]

"To The Hongkong & Shanghai Bank, Deutsch-Asiatische Bank, Banque de l'Indo-Chine, International Banking Corporation,

"Peking.

"Sirs:

"I beg to acknowledge receipt of your letters dated 26th September and 11th November of last year and 22nd January of this year, all of which I have noted.

"With regard to the extension of the Szechuan line to Chengtu, this ministry intends at an early date to proceed with this extension, and to settle upon a method of procedure in respect of the surveys and other matters as soon as possible, in consultation with the groups.

"With regard to the extension of the Hupei-Hunan line into Kuangtung territory, this ministry notes that should the Chinese Government, in the future, decide to change the commercial status of the Canton Provincial Railway and have to borrow funds, the groups are willing, in accordance with the intentions of the Chinese Government, to provide a loan for this purpose. With regard to this question it is the intention of this ministry to consult with the groups at an early date.

"I have, etc.

"(Sd.) CHOU TZU CH'I."

"23rd January, 1914.

Note 2.

With a view to the nationalization of the Hunan and Hupei provincial railways, contemplated by Article 3, there was issued on May 9, 1911, an imperial edict of which the translation is as follows:

Imperial Edict regarding Nationalization of Trunk Lines of Railway, May 9, 1911.

"The Board of Posts and Communications has memorialized stating that in obedience to instructions the memorial of the supervising censor Shih Ch'ang-lien on the importance of clearly determining the treatment of trunk and branch railway lines has been taken into consideration.

"The plan proposed is eminently suitable. China has a great area. Her boundaries are far apart. The distances amount to several ten thousands of *li*, to traverse which requires many months. The court thinks day and night about the difficulty of guarding the frontier, wishing to find a way to overcome it. But there is no other way than to

construct railways quickly. Moreover the consultations connected with constitutional government, the movements of troops, the transportation of produce, all depend on convenient means of communication. All important reforms depend on this.

"The Government must have in all directions extending to the borders of the Empire great trunk lines in order to carry on government effectively, and to maintain centralised authority. Hitherto the methods have been ill-conceived and there has been no fixed plan, with the result that the railway administration of the whole country has fallen into confusion. There has been no distinction between trunk and branch lines and no estimate of the powers of the people. Requests on paper to act hastily have been granted. Commercial railway enterprises have been carried on for many years. In Kuangtung shares have been withdrawn and only a small section of railway has been built. In Szechuan there has been misappropriation of funds and fruitless attempts to recover. In Hunan and Hupei offices have been opened for many years, capital has been vainly wasted to the exhaustion of the people's resources, either by useless extravagance or by fraudulent practices. If this period of waste continues longer the burdens of the people will be the heavier and both Government and people will suffer injury. How can we contemplate the consequences of such mistakes? We now clearly proclaim to the whole Empire that the trunk railway lines are to belong to the Government. This is to be the fixed policy of the Government. All the companies which have been organized in the provinces before the 3rd year of Hsuan-t'ung which have been hindering too long by their failures should at once revert to the Government, which will build the roads without further delay. Branch roads may still be connected by the people according to their ability, but all permits heretofore issued for the building of trunk lines are hereby cancelled. As to the method of taking over these enterprises the Board of Finance and the Board of Communications will carefully work out the details in accordance with this edict, asking without delay for the edict to put them in execution.

"The ministers concerned must not show indecision nor delay this matter. If any, disregarding the larger interests involved, make disturbances about the railway administration, encourage discontent and opposition, they will be dealt with at once as offenders against imperial regulations.

"Let this be widely proclaimed."

The text of the agreement by which the Central Government took over the Hunan section of the Canton-Hankow Railway is not available. The following is the translation of the agreement concluded November 2, 1912, between the Department of Communications and the Szechuan-Hankow Railway Company, for the taking over of the company's line:

Agreement for Purchase by Government of Szechuan-Hankow Railway Company's Line, November 2, 1912.

"Liu Sun-yuan (hereinafter to be called the representative) acting as representative to the Szechuan-Hankow Railway Company (hereinafter to be called the Company) has received full powers from the whole body of shareholders of the said Company, to confer with the Department of Communications (hereinafter to be called the Department) regarding the nationalization of the said railway, and has agreed as follows:

"1.—The construction work, machinery, workshop, and land, etc., of the whole Ichang-Wanhsien section of the Szechuan-Hankow Railway shall be handed over to the government, as agreed upon by the whole body of shareholders of the Company, and all other sections of the Szechuan-Hankow Railway (from Chengtu to Wanhsien) shall also be handed over to the Government: but in the future, if the Government alter the location of the railway, in such a way that this railway is not made a trunk line, excepting the Ichang-Wanhsien section, all other sections shall still be turned over to the Company.

"2.—All cash funds of the Company shall be taken back by the Company to be used for other industrial purposes: such cash funds are of the following description:—those funds that are deposited with the Bank of Communications, the Hanyang Iron Works, the Cement Company, and all the cash funds of the Company deposited in Shanghai, Hankow, Chungking, Chengtu: in addition to this, the machinery and workshop land and all other appended property of the copper mint of Chengtu, shall also be taken back by the Company, and the Government shall undertake to draw back for the Company all such funds as loaned to the Bank of Communications, and advances made to the Hanyang iron works.

"3.—Regarding the public loan bonds issued on account of the payment of construction work on the Ichang-Wanhsien section, the outstanding debts on account of materials bought of the various foreign companies, and the loan of the Hupei Army's Payment Bureau Loan, the above three items amounting to about Tls. 900,000: it is agreed that the said bonds shall be redeemed by the Government, the outstanding accounts with the various foreign companies to be settled by the Government, and the Hupei Army Payment Bureau Loan shall be taken care of by the Company.

"4.—The Department shall issue promissory notes to the Company to reimburse all

direct and indirect expenditure incurred on construction work by the Company expenditure directly or indirectly incurred by the Company, and beginning on the date when the railway is received by the Government, an annual interest of six per cent shall be started on this reimbursement due to the Company, and the interest shall be paid to the Company once a year. All expenditure direct on construction work directly incurred by the Company up to the end of the eighth month of the first year of the Republic (August 31, 1912) shall be paid to the Company in instalments, within ten years: all expenditure indirectly on construction work incurred by the Company, such as interest on shares, salaries, students' tuition, etc., shall be reimbursed to the Company in instalments within five years, beginning on the eleventh year of taking over of the railway by the Government; the different items are detailed on a separate statement. All the interest on shares due to shareholders before the taking of the railway, shall be reckoned as indirect expenditure. All the direct and indirect expenditure shall be calculated according to the records of the Szechuan Railway Company Shareholders' Meeting and the records kept by the Department of Posts and Communications of the former Tsing Dynasty. All direct expenditure shall be calculated jointly by a specially appointed officer of the Department and the manager of the Company at Ichang: the indirect expenditure shall be calculated jointly by a specially appointed officer of the Department and the head office of the Company at Chengtu, so that the railway may be properly handed over. All expenditures that have no bearing on the railway work either directly or indirectly, shall not be taken into account.

"5.—All bankrupt accounts at Shanghai shall be attended to by the Company and the Government shall assist in the collecting of such accounts.

"6.—If in the future the Szechuan-Canton-Hankow General Railway Company be organized, the holders of promissory notes mentioned in Article 4 shall be free to exchange such promissory notes for share certificates of the General Railway Company.

"7.—All detail procedures for the carrying out of the above articles shall be further discussed by the representative with the Department.

"THE DEPARTMENT,
"THE REPRESENTATIVE."

"November 2, 1912.

Note 3.

With the object of giving more practical effect to the principle of impartial preference, as among the markets of the four nationalities concerned, in respect to the supply of equipment and materials, a conference of directors and engineers-in-chief of the Hukuang railways was held, under the chairmanship of the director General (Dr. Jeme Tien-yu) at Hankow in May, 1914. The following articles were adopted by the conference in reference to bridges (May 20 and 21) and in regard to locomotives and rolling-stock (May 25):

Hankow Conference Resolutions concerning Equipment and Materials for Hukuang Railways, May 20-25, 1914.

"BRIDGES.

"1. Consulting engineers to be appointed by the Ministry of Communications in each country with authority to approve or reject the designs and workmanship of the manufacturers and to officially accept the structure on behalf of the section for which the structure is intended.

"2. All indents must be forwarded by the managing directors of the various sections to the director general, who in sending indents to the purchasing agents will forward copies simultaneously to the groups banks in New York, London, Paris and Berlin for distribution and advertisement, and the representatives of the groups banks in Peking for distribution to the local representatives of the American, British, French and German manufacturers.

"3. Sealed bids with recommendations to be presented to the director general at Hankow by the consulting engineers of the various countries interested ninety days from the date indents are forwarded by the director general to the groups banks in New York, London, Paris and Berlin. Local manufacturers forward their bids direct to the director general at Hankow.

"4. All tenders to be publicly opened in the presence of the bidders' representatives on that date.

"5. The specifications of the material to be used throughout in tendering for the supply of bridges and bridge material and for the manufacture and fabrication of same shall be in strict accordance with the recognized standards and best practices prevailing in Great Britain, France, Germany and the United States of America.

"For material as accepted from Great Britain, the specifications for same shall be as recommended by the British Standards Committee as affiliated with the International Association for testing materials.

"For materials as accepted from the United States of America, the specifications for same shall be in accordance with the specifications recommended by the American Society for testing materials affiliated with the International Association for testing materials.

"For materials as accepted from Germany, the specifications for same shall be in accordance with the specifications as recommended by Königl. preussische staatseisenbahn verwaltung (Royal Prussian state railway administration).

"For materials as accepted from France, the specifications for same shall be in accordance with the specifications as recommended by a similar society to the above and affiliated with the International Association for testing materials.

"6. The chief engineers shall submit the type of bridge required, together with the span, length over-all, depth or height, width or loading, when tenders are invited, and the bidders shall submit tenders each in accordance with the approved specification of the nationality of the bidders.

"7. The most favorable American, British, French and German bidders complying with the adopted specifications to be immediately awarded the contract."

"Locomotives and Rolling Stock.

"1. Consulting engineers to be appointed by the Ministry of Communications in each country with authority to approve or reject the designs and workmanship of the manufacturers and to officially accept the locomotives and rolling stock on behalf of the section for which the locomotives and rolling stock are intended.

"2. All indents must be forwarded by the managing directors of the various sections to the director general, who in sending indents to the purchasing agents will forward copies simultaneously to the groups banks in New York, London, Paris and Berlin for distribution and advertisement, and the representatives of the groups banks in Peking for distribution to the local representatives of the American, British, French and German manufacturers.

"3. Sealed bids with recommendations to be presented to the director general at Hankow by the consulting engineers of the various countries interested ninety days from the date indents are forwarded by the director general to the groups banks in New York, London, Paris and Berlin. Local manufacturers will forward their bids direct to the director general at Hankow.

"4. All tenders to be publicly opened in the presence of the bidders' representatives on that date.

"5. The specifications of the material to be used throughout the tendering for the supply of locomotives and rolling stock and for the manufacture and fabrication of same shall be in strict accordance with the recognized standards and best practices prevailing in Great Britain, France, Germany and the United States of America.

"Only usual tests of quality shall be required and no chemical analysis to be prescribed. Furthermore, the production of the steel shall be left to the manufacturers.

"In construction and design of details each country to use its own standards, method of construction, quality of workmanship and tests and all of the foregoing, providing they are standard in one of the four countries, are to be acceptable to the other three countries.

"All tenders to be accompanied by a certificate from the manufacturer indicating upon the basis of which specifications the tender is made, bidders being privileged to select one of the four following specifications:

"1. The specifications recommended by the British Standards Committee.

"2. The specifications recommended by the American Society for testing materials.

"3. The specifications recommended by the Königl. preussische Staatseisenbahn verwaltung (Royal Prussian state railway administration).

"4. The specifications recommanded by the Cahiers des charges unifiés des compagnies françaises de chemins de fer.

"6. English and metric standard system of measurements. In the event of specifications being issued in the metric system the English equivalent to the nearest sixteenth of an inch higher is to be accepted, and in the event of specifications being issued in the English system the correspondingly higher metric equivalent is to be accepted.

"7. The engineer-in-chief specifies in the tenders the type of construction of the engines, including the general measurements required, as accurately as possible. All details referring to maximum axle pressure, power of engine, gradients, curves, etc., must be mentioned in the tender-specifications.

"In the tender-specifications accurate description of special engine fittings should be made by the engineer-in-chief.

"8. The construction of the engines shall be under the control of the consulting engi-

neer. He is also responsible for tests of material used for their construction. Any proposals made by the consulting engineer should be carefully considered. Parts which are rejected on account of faulty material or bad workmanship must on no account be used.

"9. The most favorable American, British, French and German bidders complying with the adopted specifications to be immediately awarded the contract."

NUMBER 1911/6.

JAPAN AND RUSSIA.

Convention for the reciprocal protection of industrial property in China.—June 10/23, 1911.*

His Majesty the Emperor of all the Russias, and His Majesty the Emperor of Japan, desiring to assure in China the reciprocal protection of the industrial property of their respective subjects, have resolved to conclude a convention for that purpose, and have named their plenipotentiaries, to wit:

His Majesty the Emperor of all the Russias, His Ambassador Extraordinary and Plenipotentiary near His Majesty the Emperor of Japan, the Master of his Court and Senator Nicolas Malewsky-Maléwitch; and

His Majesty the Emperor of Japan, his Minister for Foreign Affairs, Marquis Jutaro Komura, Shosammi, Grand Cordon of the Imperial Order of the Rising Sun (with Paulownia flowers),

who, having communicated to each other their full powers, found to be in good and due form, have agreed upon the following articles:

ARTICLE 1.—The inventions, designs, and trademarks, duly patented or registered by the subjects of one of the high contracting parties in the appropriate office of the other contracting party, will have in all parts of China the same protection, against any infringement by the subjects of that other contracting party, as in the territories and possessions of that other contracting party.

ARTICLE 2.—In cases of infringement, in China, by any subject of one of the two high contracting parties, of any invention, design, or trademark whatsoever, entitled to protection by virtue of the present convention, the injured party will have, before the competent national or consular tribunals of that contracting party, the same rights and recourse as the subjects of that contracting party.

ARTICLE 3.—It is mutually agreed between the two high contracting parties that the effect of the present convention will be extended, in so far as it is applicable, to all other countries where each of them may have the rights of extraterritorial jurisdiction.

All the rights arising out of the present convention will be recognized in the insular and other possessions and the territories occupied under lease by the high contracting parties, and all the legal means contemplated for the protection of such rights will be duly applied by the competent tribunals.

* Translation from the French text as printed in *Izviestia,* 1913, vol. II, p. 12.

ARTICLE 4.—Every person to whom the provisions of this convention are applicable, who, at the time when the present convention comes into force, possesses any merchandise bearing an imitation of a trademark belonging to another person and entitled to protection by virtue of the said convention, must remove or cancel this false trademark, or withdraw this merchandise from the Chinese market within a period of six months from the coming into force of this convention.

ARTICLE 5.—The present convention will be ratified, and the ratifications thereof will be exchanged at Tokyo, as soon as possible. It will come into force four months after the exchange of ratifications.

In faith whereof the respective plenipotentiaries have signed the present convention and affixed their seals thereto.

Done in duplicate at Tokyo, June 10/23, 1911, corresponding to the 23rd day of the 6th month of the 44th year of Meiji.

(Sgd) N. MALEWSKY-MALÉWITCH (L.S.)
(Sgd) JUTARO KOMURA (L.S.)

NUMBER 1911/7.

GREAT BRITAIN AND JAPAN.

Agreement respecting the integrity of China, the general peace of Eastern Asia and India, and the territorial rights and special interests of the Parties in those regions.—July 13, 1911.*

PREAMBLE.

THE Government of Great Britain and the Government of Japan, having in view the important changes which have taken place in the situation since the conclusion of the Anglo-Japanese Agreement of the 12th August, 1905, and believing that a revision of that Agreement responding to such changes would contribute to general stability and repose, have agreed upon the following stipulations to replace the Agreement above mentioned, such stipulations having the same object as the said Agreement, namely;

(*a*) The consolidation and maintenance of the general peace in the regions of Eastern Asia and of India;

(*b*) The preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China;

(*c*) The maintenance of the territorial rights of the High Contracting Parties

* Text as printed in British *Treaty Series, No.* 18 (1911).
In connection with this agreement see also the Anglo-Japanese agreements of January 30, 1902 (No. 1902/2, *ante*) and August 12, 1905 (No. 1905/6, *ante*).

in the regions of Eastern Asia and of India, and the defence of their special interests in the said regions:—

ARTICLE I.—It is agreed that whenever, in the opinion of either Great Britain or Japan, any of the rights and interests referred to in the preamble of this Agreement are in jeopardy, the two Governments will communicate with one another fully and frankly, and will consider in common the measures which should be taken to safeguard those menaced rights or interests.

ARTICLE II.—If by reason of unprovoked attack or aggressive action, wherever arising, on the part of any Power or Powers, either High Contracting Party should be involved in war in defence of its territorial rights or special interests mentioned in the preamble of this Agreement, the other High Contracting Party will at once come to the assistance of its ally, and will conduct the war in common, and make peace in mutual agreement with it.

ARTICLE III.—The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the objects described in the preamble of this Agreement.

ARTICLE IV.—Should either High Contracting Party conclude a treaty of general arbitration with a third Power, it is agreed that nothing in this Agreement shall entail upon such Contracting Party an obligation to go to war with the Power with whom such treaty of arbitration is in force.

ARTICLE V.—The conditions under which armed assistance shall be afforded by either Power to the other in the circumstances mentioned in the present Agreement, and the means by which such assistance is to be made available, will be arranged by the Naval and Military authorities of the High Contracting Parties, who will from time to time consult one another fully and freely upon all questions of mutual interest.

ARTICLE VI.—The present Agreement shall come into effect immediately after the date of its signature, and remain in force for ten years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said ten years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto,* continue until peace is concluded.

In faith whereof the Undersigned, duly authorised by their respective Governments, have signed this Agreement, and have affixed thereto their Seals.

Done in duplicate at London, the 13th day of July, 1911.

E. GREY,
His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

TAKAAKI KATO,
Ambassador Extraordinary and Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.

NUMBER 1911/8.

FRANCE (Banque de l'Indo-Chine), GERMANY (Deutsch-Asiatische Bank), GREAT BRITAIN (Hongkong & Shanghai Banking Corporation), UNITED STATES (American Group) AND CHINA.

Agreement for the Hupei Provincial seven per cent silver loan of 1911.—August 14, 1911.

This Agreement is made between His Excellency Jui Cheng, Viceroy of the Hukwang Provinces, of the one part, and the Hongkong and Shanghai Banking Corporation, the Deutsch-Asiatische Bank, the Banque de l'Indo-Chine and the American Group represented by the International Banking Corporation, hereinafter called the Banks, of the other part.

Whereas the Viceroy of the Hukwang provinces, His Excellency Jui Cheng, has for the purpose and with the object of repaying outstanding loans contracted on onerous conditions, Memorialized the Throne for and received an Imperial Edict, authorising him to raise a foreign loan for Taels 2,000,000, and to seal the loan bonds hereinafter referred to, it is hereby Agreed as follows:

1.—The Loan shall be called "The Hupei Provincial Seven Per Cent Silver Loan of 1911."

2.—The Banks agree to lend to the Viceroy of the Hukwang Provinces, and the Viceroy agrees to borrow from the Banks, the sum of Two Million Taels (Tls. 2,000,000), the payment and repayment of which said sum and of interest thereon are to be made in Hankow in Taels of Hankow Yang-li Sycee or its equivalent in coin of the National Currency if the said Currency shall have been effectively established.

3.—The Banks shall, on the execution of this Agreement, pay to the Viceroy in full the sum of Two Million Taels (Tls. 2,000,000) Hankow Yang-li Sycee.

4.—The period of the said Loan of Tls. 2,000,000 shall be ten years and the interest thereon shall be Seven per cent per annum to be computed from the date of this Agreement, and shall be paid by the Viceroy or his successors in office to the Banks half-yearly in accordance with Schedule attached to this Agreement, but twelve days before the due dates as shown thereon until repayment of the Loan has been completed. The principal shall be repaid in ten half-yearly instalments of two hundred thousand Taels (Tls. 200,000) commencing with the Sixth year in accordance with the Schedule attached to this Agreement but twelve days before the due dates shown thereon.

The first repayment of principal will be made twelve days before the fourteenth day of February, 1917.

After each instalment of the principal is paid, interest at the rate aforesaid shall only be charged on the principal for the time being remaining owing.

All payments of interest and repayments of principal shall be made to the four Banks in Hankow in equal shares.

5.—This loan is secured by a third mortgage on the Ichang Salt Likin amounting to about One Million Taels (Tls. 1,000,000) per annum already charged with the service of the Imperial Chinese Government 4½ Per Cent Sterling Loan of 1898 for £16,000,000 and the Silver Loan for Five hundred thousand Taels Hankow Sycee (Hankow Tls. 500,000) made by the Hongkong and Shanghai Banking Corporation to the Hupei Government on the 14th day of August 1909, and shall rank as regards security for principal and interest immediately after the two said loans, which the Viceroy hereby guarantees to be the only existing charges on the said Salt Likin. The Viceroy further guarantees on behalf of himself and his successors in Office that if in future it shall be necessary to employ the said Likin as security, it shall in no wise affect this the third pledge: moreover, there must be an explicit declaration in any subsequent loan agreement that there is already a prior pledge of the said likin to the herein mentioned four Banks as a third loan charge, that is to say, if subsequently there be any pledge of the said likin, such pledge shall rank as fourth, and shall not be allowed to have priority over or equality with the third loan charge to the four Banks. In case of need it shall be open to the Viceroy to supplement the revenue of the Ichang Salt Likin by other revenues of the province of Hupei for the service of the present loan, and in case the Ichang Salt Likin shall, during the currency of the present loan, be altered or abolished, the Viceroy shall forthwith apply to the service of the present loan other approved provincial free revenues in substitution therefor or addition thereto, so as to secure and pledge for the service of the present loan an amount equivalent to the present annual charge upon the Ichang Salt Likin revenue; but in case of default with regard to a payment of interest or repayment of principal of the present loan, the Viceroy may be called upon by the British, German, French and American Consuls at Hankow to appropriate and place under the administration of the Imperial Maritime Customs other approved free revenue as security.

6.—This loan shall further be secured by deposit with the Hongkong and Shanghai Banking Corporation of twenty likin half-yearly bonds, similar to the likin half-yearly bonds so deposited under Article 6 of the Agreement for the loan of the 14th of August, 1909, by the Hongkong and Shanghai Banking Corporation to the then Hukwang Viceroy Ch'en K'uei-lung, equal in value altogether to the total amount of the loan principal and interest sealed by the Viceroy of the Hukwang Provinces and by the Provincial Treasurer of Hupei, and countersigned by the foreign Commissioner of Customs in Hankow. In the event of the money to meet a payment of interest or repayment of principal not being handed to the Banks at their branches in Hankow on due date, these likin bonds shall become available for the payment of likin in the Province of Hupei, and the provincial authorities shall be instructed accordingly. As soon as likin to the amount of each bond shall have been paid the bond shall be surrendered for cancellation. These twenty bonds shall be made out in accordance with the amounts and dates specified in the annexed Schedule. On the payment of each instalment, the corresponding bond shall be cancelled and returned.

7.—The Banks shall prepare and send to the Viceroy bonds in Hankow Taels Yang-li Sycee for the total amount of this Loan namely Tls. 2,000,000, which

bonds shall within three months from the execution of this Agreement be returned to the Banks sealed with the Official Seal of the Viceroy and of the Provincial Treasurer of Hupei, as evidence that the Imperial Chinese Government is bound thereby. The Banks in Hankow shall countersign the Bonds as Agents for the Loan. These bonds may either be held by the Banks or, at their option, sold to the public. The form and amount of the Bonds shall be settled by the Banks in consultation with the Viceroy. Bonds drawn for the repayment of any instalment of principal will, as soon as possible after payment, be handed to the Viceroy for cancellation.

8.—In the event of any bond or bonds of this Loan being lost, stolen or destroyed, the Banks concerned may notify the Viceroy who shall authorise the Banks concerned to insert an advertisement in the public newspapers stating that payment of such bond or bonds has been stopped; and to take such other steps as may appear advisable or necessary according to the laws of the Country concerned. Should any bond or bonds be destroyed, or such lost or stolen bond or bonds not be recovered after a lapse of time to be fixed by the Banks, the Viceroy and Provincial Treasurer of Hupei shall seal and execute a duplicate bond or duplicate bonds for a like amount and deliver the same to the Bank or Banks representing the owner or owners of such lost, stolen, or destroyed bond or bonds, which Bank or Banks shall pay all expenses in connection with such delivery and execution of such duplicate bond or bonds for the account of the owner or owners of such bond or bonds.

9.—All bonds and coupons and payments made and received in connection with the service of this Loan shall be exempt from all Chinese taxes and imposts of any and every description during the currency of this Loan.

10.—In reimbursement of expenses connected with the payment of interest and the repayment of principal of this Loan the Viceroy shall pay to the Banks a commission of One Quarter of one per Cent on the annual loan service.

11.—The terms of this present Loan Agreement for Tls. 2,000,000, concluded by the Viceroy of the Hukwang Provinces with the Hongkong and Shanghai Banking Corporation, the Deutsch-Asiatische Bank, the Banque de l'Indo-Chine and the American Group represented by the International Banking Corporation, have been sanctioned by Imperial Decree officially communicated by the Wai Wu Pu to the British, German, French and American Ministers in Peking, and in pursuance of the Imperial Authority so received the Viceroy for and on behalf of the Imperial Chinese Government hereby guarantees under his official seal that payment of interest and repayment of principal shall be duly made.

12.—Eleven sets of this Agreement are executed in English and Chinese, one set to be retained by the Viceroy, one by each of the Banks and one each by the British, German, French and American Ministers in Peking. Of the remaining two sets, one will be forwarded to the Wai Wu Pu by the Viceroy, and one will be handed under a Joint Note to the Wai Wu Pu by the Ministers of the four countries to be placed on record. In the event of any question or dispute arising as to the meaning of this Agreement, the English Text shall rule.

THE HUPEI PROVINCIAL SEVEN PER CENT SILVER LOAN OF 1911.
Tls. 2,000,000.
Schedule of Payments of Principal and Interest.

Due.	Interest at 7%	Principal.	Total.
	Tls.	Tls.	Tls.
14 February, 1912	70,000		70,000
14 August, 1912	70,000		70,000
14 February, 1913	70,000		70,000
14 August, 1913	70,000		70,000
14 February, 1914	70,000		70,000
14 August, 1914	70,000		70,000
14 February, 1915	70,000		70,000
14 August, 1915	70,000		70,000
14 February, 1916	70,000		70,000
14 August, 1916	70,000		70,000
14 February, 1917	70,000	200,000	270,000
14 August, 1917	63,000	200,000	263,000
14 February, 1918	56,000	200,000	256,000
14 August, 1918	49,000	200,000	249,000
14 February, 1919	42,000	200,000	242,000
14 August, 1919	35,000	200,000	235,000
14 February, 1920	28,000	200,000	228,000
14 August, 1920	21,000	200,000	221,000
14 February, 1921	14,000	200,000	214,000
14 August, 1921	7,000	200,000	207,000
Hankow Taels Yang-li Sycee	1,085,000	2,000,000	3,085,000

THE HUPEI PROVINCIAL SEVEN PER CENT SILVER LOAN OF 1911.
Tls. 2,000,000.
Schedule of Payments of Interest due to

Date.	Hongkong and Shanghai Banking Corporation.	Deutsch-Asiatische Bank.	Banque de l'Indo-Chine.	International Banking Corporation.	Total.
	Tls.	Tls.	Tls.	Tls.	Tls.
14 February, 1912	17,500	17,500	17,500	17,500	70,000
14 August, 1912	17,500	17,500	17,500	17,500	70,000
14 February, 1913	17,500	17,500	17,500	17,500	70,000
14 August, 1913	17,500	17,500	17,500	17,500	70,000
14 February, 1914	17,500	17,500	17,500	17,500	70,000
14 August, 1914	17,500	17,500	17,500	17,500	70,000
14 February, 1915	17,500	17,500	17,500	17,500	70,000
14 August, 1915	17,500	17,500	17,500	17,500	70,000
14 February, 1916	17,500	17,500	17,500	17,500	70,000
14 August, 1916	17,500	17,500	17,500	17,500	70,000
14 February, 1917	17,500	17,500	17,500	17,500	70,000
14 August, 1917	15,750	15,750	15,750	15,750	63,000
14 February, 1918	14,000	14,000	14,000	14,000	56,000
14 August, 1918	12,250	12,250	12,250	12,250	49,000
14 February, 1919	10,500	10,500	10,500	10,500	42,000
14 August, 1919	8,750	8,750	8,750	8,750	35,000
14 February, 1920	7,000	7,000	7,000	7,000	28,000
14 August, 1920	5,250	5,250	5,250	5,250	21,000
14 February, 1921	3,500	3,500	3,500	3,500	14,000
14 August, 1921	1,750	1,750	1,750	1,750	7,000
Hankow Taels Yang-li Sycee	271,250	271,250	271,250	271,250	1,085,000

THE HUPEI PROVINCIAL SEVEN PER CENT SILVER LOAN OF 1911.

Tls. 2,000,000.

Schedule of Payments of Principal due to

Date.	Hongkong and Shanghai Banking Corporation.	Deutsche-Asiatische Bank.	Banque de l'Indo-Chine.	International Banking Corporation.	Total.
	Tls.	Tls.	Tls.	Tls.	Tls.
14 February, 1917	50,000	50,000	50,000	50,000	200,000
14 August, 1917	50,000	50,000	50,000	50,000	200,000
14 February, 1918	50,000	50,000	50,000	50,000	200,000
14 August, 1918	50,000	50,000	50,000	50,000	200,000
14 February, 1919	50,000	50,000	50,000	50,000	200,000
14 August, 1919	50,000	50,000	50,000	50,000	200,000
14 February, 1920	50,000	50,000	50,000	50,000	200,000
14 August, 1920	50,000	50,000	50,000	50,000	200,000
14 February, 1921	50,000	50,000	50,000	50,000	200,000
14 August, 1921	50,000	50,000	50,000	50,000	200,000
Hankow Taels Yang-li Sycee	500,000	500,000	500,000	500,000	2,000,000

Signed at HANKOW by the contracting parties this twentieth day of the intercalary sixth moon of the third year of the Emperor Hsüan T'ung, being the fourteenth day of August, one thousand nine hundred and eleven, Western Calendar.

[Signatures of the representatives of the four banks.]

[Seal and signature of the Viceroy of the Hukwang Provinces.]

[Signature of Witness.]

NUMBER 1911/9.

FRANCE (Banque de l'Indo-Chine), GERMANY (Deutsch-Asiatische Bank), GREAT BRITAIN (Hongkong & Shanghai Banking Corporation) AND CHINA.

Agreement for the Kwangtung Provincial seven per cent silver loan of 1911.—August 30, 1911.

THIS AGREEMENT is made between His Excellency Chung Ming Chi, Viceroy of the Liang Kwang Provinces, of the one part, and the Hongkong and Shanghai Banking Corporation, the Banque de l'Indo-Chine and the Deutsch-Asiatische Bank, hereinafter called the Banks, of the other part.

WHEREAS the Viceroy of the Liang Kwang Provinces, H. E. Chung Ming

Chi has, for the purpose and with the object of relieving the present financial situation in the money markets of Kwangtung, memorialized the Throne for and received an Imperial Edict, authorizing him to raise a foreign loan for FIVE MILLION DOLLARS HONGKONG CURRENCY and to seal the loan bonds hereinafter referred to, it is hereby agreed as follows:—

1.—The Loan shall be called "the Kwangtung Provincial seven per cent Silver Loan of 1911."

2.—The Banks agree to lend to the Viceroy of the Liang Kwang Provinces and the Viceroy agrees to borrow from the Banks, the sum of FIVE MILLION DOLLARS HONGKONG CURRENCY, the payment and repayment of which said sum and of interest thereon are to be made in Hongkong in Hongkong Currency Bank Notes.

3.—The Banks shall, seven days after the execution of this agreement, pay to the Viceroy the sum of ONE MILLION DOLLARS HONGKONG CURRENCY Bank Notes. The balance of this loan shall be paid by the Banks to the Viceroy in four consecutive monthly instalments of ONE MILLION DOLLARS HONGKONG CURRENCY each as follows:—

ONE MILLION DOLLARS HONGKONG CURRENCY on the *30th* day of *September,* 1911, Western Calendar.

ONE MILLION DOLLARS HONGKONG CURRENCY on the *30th* day of *October,* 1911, Western Calendar.

ONE MILLION DOLLARS HONGKONG CURRENCY on the *30th* day of *November,* 1911, Western Calendar.

ONE MILLION DOLLARS HONGKONG CURRENCY on the *30th* day of *December,* 1911, Western Calendar.

4.—The period of the said loan for FIVE MILLION DOLLARS HONGKONG CURRENCY shall be five years, and the interest thereon shall be seven per cent. per annum to be computed on the first payment of ONE MILLION DOLLARS HONGKONG CURRENCY from the date of that payment and on subsequent payments from the dates of such subsequent payments and shall be paid by the Viceroy or his successors in Office to the Banks half-yearly in accordance with the Schedule attached to this agreement, but twelve days before the due dates as shown thereon until repayment of the loan shall be completed. The principal shall be repaid in ten half-yearly instalments of FIVE HUNDRED THOUSAND DOLLARS HONGKONG CURRENCY, commencing six months from the date of this agreement, in accordance with the Schedule attached to this agreement, but twelve days before the due dates shown thereon.

The first payment of interest and repayment of the principal will be made twelve days before the *28th* day of *February,* 1912, Western Calendar.

After each instalment of the principal is repaid, interest at the rate aforesaid shall only be charged on the principal for the time being remaining owing.

All payments of interest and repayments of principal shall be made to the three Banks in Hongkong in Hongkong Currency Bank Notes in equal shares.

5.—In reimbursement of expenses connected with this loan the Viceroy shall pay to the Banks a commission of one quarter of one per cent on the half-yearly service of the loan.

6.—The Banks may, at their option, issue this loan in whole or part to the Public in Hongkong or elsewhere on terms to be determined by the Banks.

7.—This loan is secured by a first mortgage on the Likin dues of the Province of Kwangtung amounting to Two million four hundred thousand Taels per annum and shall rank as regards security for principal and interest as a first charge on the said Likin dues, which the Viceroy hereby guarantees to be at present free of all mortgage and unincumbered. The Viceroy further guarantees on behalf of himself and his successors in Office that if in the future it shall be necessary to employ the said Likin as security, it shall in no wise affect this the first pledge, moreover there must be an explicit declaration in any subsequent loan agreement that there is already a prior pledge of the said Likin to the herein mentioned Banks as the first loan charge, that is to say, if subsequently there be any pledge of the said Likin, such pledge shall rank as the second, and shall not be allowed to have priority over or equality with the first loan charge to the Banks. In case of need it shall be open to the Viceroy to supplement the revenue of the Kwangtung Likin dues by other approved revenues of the Province of Kwangtung for the service of the present loan, and in case the Kwangtung Likin dues shall, during the currency of the present loan, be altered or abolished, the Viceroy shall forthwith apply to the service of the present loan other approved Provincial free revenues in substitution therefor or addition thereto, so as to secure and pledge for the service of the present loan an amount equivalent to the present annual charge upon the Kwangtung Likin dues; but in case of default of any payment of interest or repayment of principal of the present loan the Viceroy or his successors in Office shall forthwith, in consultation with the Banks, make special arrangements for the collection and payment into the Banks of these or other approved free revenues of the Province of Kwangtung in such manner and in such amount as shall secure the due payment of interest and repayment of principal in terms of this agreement.

8.—The Viceroy shall within three months of the execution of this agreement hand to the Banks Bonds in Hongkong Currency Bank Notes for the total amount of the loan, namely FIVE MILLION DOLLARS HONGKONG CURRENCY, sealed with the Official seals of the Viceroy and of the Provincial Treasurer of Kwangtung as evidence that the Imperial Chinese Government is bound thereby and, if issued to the public, countersigned by the issuing Bank as Agents for the loan. The form and amount of these Bonds shall be settled by the Banks in consultation with the Viceroy.

Bonds drawn for repayment of any instalment of principal will, as soon as possible after payment, be handed to the Viceroy for cancellation.

9.—In the event of any such bond or bonds being lost, stolen or destroyed, the Bank interested may notify the Viceroy who shall authorize that Bank to insert an advertisement in the public newspapers stating that payment of such bond or bonds has been stopped; and to take such other steps as may appear advisable or necessary according to the laws of the country concerned. Should any bond or bonds be destroyed, or such lost or stolen bond or bonds not be recovered after a lapse of time to be fixed by the Bank interested, the Viceroy and the Provincial Treasurer of Kwangtung shall seal and execute a duplicate

bond or duplicate bonds for a like amount and deliver the same to the Bank representing the owner or owners of such lost, stolen or destroyed bond or bonds and the Bank interested shall pay all expenses in connection with such delivery and execution of such duplicate bond or bonds for the account of the owner or owners of such bond or bonds.

10.—All bonds and coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts of any and every description during the currency of this loan.

11.—The terms of this present loan agreement for FIVE MILLION DOLLARS HONGKONG CURRENCY concluded by the Viceroy of the Liang Kwang Provinces with the Hongkong and Shanghai Banking Corporation, the Banque de l'Indo-Chine and the Deutsch Asiatische Bank, have been sanctioned by Imperial Decree officially communicated by the Wai-Wu-Pu to the British, French and German Ministers in Peking, and in pursuance of the Imperial authority so received the Viceroy for and on behalf of the Imperial Chinese Government hereby guarantees under his official seal that payment of interest and repayment of principal shall be duly made.

12.—Nine sets of this agreement are executed in English and Chinese, one set to be retained by the Viceroy, one by each of the Banks, one by the British, one by the French and one by the German Ministers in Peking. Of the remaining two sets, one will be forwarded to the Wai-Wu-Pu by the Viceroy, and one will be handed under a joint note to the Wai-Wu-Pu by the Ministers of the three countries to be placed on record.

In the event of any question or dispute arising as to the meaning of this agreement, the English text shall rule.

Signed at Canton by the contracting parties this *7th* day of the *7th* month of the third year of the Emperor Hsuan-t'ung, being the *30th* day of *August* One thousand nine hundred and eleven, Western Calendar.

NUMBER 1911/10.

FRANCE AND GREAT BRITAIN (Syndicat du Yunnan, Ltd.)AND CHINA.

Exchange of notes between the Wai Wu Pu and the French legation in regard to the cancellation of the mining concession of the Syndicat du Yunnan.— August 31, 1911.*

Prince Ch'ing, President of the Council and President of the Ministry for Foreign Affairs, to Mr. Georges-Picot, French Chargé d'Affaires in China.

PEKING, *August 29, 1911.*

In conclusion of the negotiations that have been carried on between your Excellency and Mr. Kao, Treasurer General of Yunnan, on the subject of the

* Translations from the French version of the Chinese text, and from the French text. See Note to this document, *post,* p. 911.

Lung-Hsing Company (Anglo-French Yunnan Syndicate), the concessionaire for the working of the mines in Yunnanfu and six other localities, an agreement has been arrived at with the British Minister that China will pay the said syndicate, for the cancellation of the original contract, the sum of 1,500,000 taels.

The payment of this sum will be made in six instalments. On each instalment the sum of 250,000 Kuping taels will be paid.

The first payment will be made during the course of this moon (August 24 to September 21). The five other payments will be made every six months. The French and British Ministers will give notice a month in advance to our ministry, in order that it may provide funds.

All the property and all the material belonging to the syndicate and to its branch will be turned over entire to China, which will thereafter have no further concern with the said syndicate.

As an agreement has been reached upon these conditions, the matter will be arranged by an exchange of letters that will be conclusive.

I am addressing your Excellency the present official communication to be filed in your archives. I have to request that you be so good as to acknowledge its receipt.

Pray accept, etc.

Mr. F. Georges-Picot, French Chargé d'Affaires in China, to his Highness, Prince Ch'ing, President of the Council and President of the Ministry for Foreign Affairs.

PEKING, *August 31, 1911.*

Your Highness has made known to me that the Wai Wu Pu was disposed to pay the sum of fifteen hundred thousand Kuping taels, the payment of which would be guaranteed by the Imperial Government, in compensation for the cancellation of the contract signed in 1902 between the Imperial Government, the Province of Yunnan, and the Syndicat du Yunnan. You add that this amount will be paid in Peking in half-yearly instalments of 250,000 taels, the first being paid by the Wai Wu Pu before September 22 next.

I have the honor to inform your Highness that the company concerned accepts this proposal. It acknowledges that by the payment of this sum the Imperial Government frees itself from all the obligations created by the contract cited above. The syndicate moreover undertakes to grant without charge to the Imperial Government all property and things possessed by it in Yunnan, or by its branch (the Compagnie d'Exploitation de Lin Ngan), and to turn them over to the delegate that the Government may be pleased to name.

I regret that circumstances have compelled us to terminate a contract that seemed to me to be of such a nature as to afford important advantages to each of the contracting parties, and thus contribute to the economic development of China.

Note.

The original concession had been granted by a contract concluded June 21, 1902, of which the following translation from the French text is given in *Collins*, p. 262:

Agreement for Yunnan Mining Concession, June 21, 1902.

WHEREAS the working of the Yunnan mines has continued, up to the present, to be primitive and incomplete, and a company called the "Syndicat du Yunnan, Limited," has been formed in England and France with the object of working these mines by the best methods, with the assistance of engineers, with a competent staff, and with machinery and the capital necessary for giving the fullest development of which they are capable to these undertakings.

The following Convention has been agreed on between T. E. the Governor-General of the Yun-Kwei Provinces, the Governor of Yunnan and the Imperial High Commissioner of Mines on the one hand and M. Rocher, Consul-General representing the Syndicat du Yunnan, Limited (Lung Hsing Kung Ssu), on the other hand.

ARTICLE I.—The Governor-General of Yun-Kwei and the Governor of Yunnan, in concert with the High Commissioner of Mines, agree to ask the Imperial Government to concede to the Syndicat du Yunnan, Limited, the right to prospect and work the mineral deposits of the departments of Yunnan-fu, Cheng Kiang-fu, Lin Ngan-fu, K'ai Hua-fu, Ch'ou Hsiung-fu, together with Yuan Kiang Chou and Yung Pai T'ing situated in the Province of Yunnan, namely:—

1. The copper mines which are at present abandoned by the State of China and those which shall be discovered by the Syndicate.
2. The mines of gold, silver, coal, iron, etc. . . . once worked but now abandoned.
3. The mines of gold, silver, coal, iron, platinum, tin, as well as the deposits of petroleum, precious stones, and cinnabar which shall be discovered by the Syndicate.

The High Authorities of Yunnan agree to ask the Imperial Government for the concession of the mines of the seven above-mentioned districts to the Syndicat du Yunnan, Limited. No company unconnected with it will be able, in any manner to prospect or work mines in the departments cited above. However, the Government, as well as the Chinese, will be able, as in the past, to work such new deposits as they shall discover, and if companies which are purely Chinese, with capital exclusively Chinese, request authorisation to work deposits, the requested authorisation may be granted on condition that the said companies shall be subjected to charges and obligations at least equal to those laid upon the Syndicat du Yunnan, Limited.

Should the Syndicat du Yunnan, Limited, not discover deposits worth working in the above-mentioned departments or districts, the Imperial Government will exchange them against others which the Syndicate will point out, but their total number shall never exceed seven. However, when all the mines of the above-mentioned departments or districts shall be working, if its duties and profits are regularly paid to the Chinese Government, the Syndicate will be able to obtain other concessions on appealing to the Provincial Authorities.

ARTICLE II.—Apart from the State mines whose working will be started in the above-mentioned districts, if the Syndicate wishes to work mines belonging to private persons, it will apply to the High Provincial Authorities, who will order an investigation to be made; and if the said investigation does not bring to light any objection the local officials will be authorised to negotiate with the proprietor for hiring the mine or the land for a period which shall not exceed the time during which the present convention will be in force. The expenses of hiring the mine or the land will be chargeable to the Syndicate, which will not under any circumstances be able to buy or hire directly or become proprietor of mines or land.

If, after authorisation to work any mine has been granted, work on it shall not have been commenced within three years, the mine and the contract will be returned to the proprietors through the authorities.

ARTICLE III.—When, in places determined by the Syndicate, a mine capable of being worked shall have been found, the limits shall be fixed and a plan of it shall be drawn. This shall be submitted to the High Provincial Authorities. These last shall have an investigation made, and should this investigation prove favourable the lands will be hired and handed over to the Company, which will then be able to begin the working.

ARTICLE IV.—On waste lands situated near the mines the Syndicat du Yunnan, Limited, will be able to build railways, roads, canals, and all means of communication which it shall deem necessary for the passage of its workmen, the transport of its material, mineral, etc., etc. If these means of communication are to use land belonging to private persons the Syndicate shall inform the Provincial Authorities, who, after a favourable investigation, will give the order to the local officials to come to terms with the proprietor for the hiring of the land at a reasonable price. The price of this hiring will be chargeable to the Syndicate.

Since the joining up of the railroads of the Syndicate with the railway has as its object the facilitating of the marketing of its mineral products and the transport of material, as soon as the principal trunk-line shall be constructed, special rules will be drawn up by common agreement, and, when the said rules shall have been approved by the Imperial Government, the work of joining up the lines may be commenced.

Under no circumstances will the Syndicate be able to transport travellers or private merchandise over its mining lines.

ARTICLE V.—The Syndicat du Yunnan, Limited, will be permitted to recruit the labour it considers necessary for its workings in the Province, and, if there is not enough, it may cause workmen to come from neighbouring Provinces.

No distinction shall be made between Catholic, Mussulman, or other workmen: all shall be engaged on the same basis according to their aptitude and activity.

If workmen are injured in the course of work for the Syndicate, and if these injuries entail incapacity for work, or death, the Syndicate shall give equitable compensation.

Lawsuits, assassinations, robberies, or quarrels which arise in the course of work shall be dealt with according to the treaties.

ARTICLE VI.—In consideration of the facilities which are given it, the Syndicat du Yunnan, Limited, undertakes to furnish annually to the Imperial Government, provided that the working of the mines allows of it, 1,000,000 lbs. of copper. This amount is fixed as follows: 600,000 lbs. three years after the opening of the copper mines, and 400,000 lbs. two years later. Afterwards a fixed quantity of 1,000,000 lbs. shall be furnished in each year.

The metal delivered shall contain 85 per cent. of copper, and shall be paid for to the Syndicate at the price of twenty Ku p'ing taels per hundred Chinese pounds. When the annual amount due has been delivered the rest of the output shall be offered to the Provincial Government, and to such Provinces as shall ask for it, at market price; the balance may be exported by the Syndicate.

The copper for the Central Government shall be liable to no tax, but that which is sold in Yunnan or other Provinces or exported shall pay a 5 per cent. tax.

ARTICLE VII.—In order to avoid all cause of trouble the Syndicat du Yunnan, Limited, undertakes to avoid all operations or encroachments, during the construction of the means of communication or the working of the mines, which may damage houses, fields, or graves. The Syndicate will also respect the customs and usages of Yunnan, the mines worked by the State, and the rights acquired by private persons.

ARTICLE VIII.—The Syndicat du Yunnan, Limited, undertakes to found one or several schools in which Chinese shall be trained in technical subjects for the working of mines and other industries. It shall, in due course, choose according to its needs, from among the pupils who shall have satisfactorily passed the leaving examinations, engineers and foremen for employment in its undertakings.

ARTICLE IX.—By reason of the extent of the mineral land and the difficulties of transport, the Imperial Government, in order to facilitate the development of the mineral industry which will be a source of riches to this country, gives the Syndicat du Yunnan, Limited, the right to form exploitation companies, to which it may cede the privileges which it obtains, or transfer concessions, on the express condition that the said companies, whether they work on the Syndicate's account or whether they work on their own account, conform strictly to this Convention.

Since the Imperial Government does not participate in the losses each mine is to have a separate account, and in no case can the profits of one be used to balance the losses of another. The division of the profits at the end of the year shall be made separately for each mine.

The Syndicat du Yunnan, Limited, undertakes to cause Chinese capital to participate as far as possible in the public issues of shares of the companies which shall be formed. The officials, merchants, workmen, or proprietors shall be able, at their convenience, to interest themselves in the enterprises of the Syndicate on the same conditions as foreign shareholders. The share-lists shall be opened simultaneously in the principal cities of China and Europe.

ARTICLE X.—The working capital raised by the Syndicate shall not exceed 50,000,000 Haikwan taels. However, if at a later date the necessity should make itself felt, the capital may be increased after coming to an agreement with the High Provincial Authorities.

ARTICLE XI.—The sum of the net profits shall be arrived at after deducting the following:—

1. A sum representing general expenses, including customs expenses, the hire of the mines, lands and other taxes.
2. A sum representing 8 per cent. of the capital as interest.
3. A sum equal to 10 per cent. as amortisation of plant, of school constructions, buildings, etc. . . . Once the amortisation is complete, no further sum shall be charged to this account.
4. A sum representing 10 per cent. of the profits as a reserve fund, of which the Syndicate shall dispose according to necessity. However, when the division of this reserve

fund takes place, the assignment of its parts shall be made equitably in accordance with Article 12.

ARTICLE XII.—The net profits remaining after the deduction of the above-named prior charges shall be distributed as follows:

1. The Imperial Government's share . . . . . 25 per cent.
2. The Provincial Government's share . . . . . 10 per cent.
3. The share of the Syndicate for distribution among its shareholders 65 per cent.

At the end of each year the High Provincial Authorities and the Syndicate shall each name a commissioner to verify the accounts of the year and take delivery of the sums due to them respectively.

ARTICLE XIII.—Neither the Imperial Government nor the Provincial Authority undertakes any pecuniary responsibility in the operations of the Syndicate, which shall be alone in bearing the risks of the enterprise.

ARTICLE XIV.—The Imperial Government shall receive 5 per cent. in kind of all mineral extracted, of whatever nature it be. The official living at the mines shall take note of the raising of the products, of coal, or of precious stones; and, after having compared it with the register kept at the mines for that purpose, shall collect, on the mineral raised, once quarterly only.

The Syndicat du Yunnan, Limited, shall be subjected for the importation of its working material, and for the products exported, to the tariff of the maritime customs. For the above-mentioned articles it shall be exempted from likin and the other internal taxes imposed on merchandise in circulation.

The Syndicate must respect the general regulations of the Empire, and, in conformity with the treaties, must not transport secretly articles which are either prohibited or dutiable to the customs or revenue.

ARTICLE XV.—Any difference which may arise in the interpretation of the present convention or in its execution shall be settled by a tribunal of arbitration, consisting of four members who shall be appointed respectively—

One by the Imperial Government.
One by the Provincial Government.
One by the French Legation.
One by the British Legation.

Any decision in arbitration arrived at in this manner shall be communicated through an official channel to the parties interested and shall be final.

ARTICLE XVI.—Since the Imperial Government and the Provincial Authorities share in the profits realised by the Syndicate, they have a considerable pecuniary and fiscal interest in protecting and safeguarding, by all the means in their power, the mining enterprises of the Syndicate. In consequence, orders will be given to the local authorities to conform in the strictest manner with the clauses of the present Convention.

ARTICLE XVII.—The Syndicate will do all in its power to keep up the best possible relations with the authorities, and will neglect nothing to ensure the maintenance of a cordial understanding and mutual confidence.

Any want of respect to an official, and any unfriendly act of which an employee may be guilty, must be reported by the local official. The Syndicate undertakes, after enquiry, to dismiss an official who has been proved guilty and to give him no other employment for two years. If, for special reasons, he cannot be absolutely dismissed, he shall not be allowed to work on the same mine.

ARTICLE XVIII.—Since the working of mines attracts a considerable number of individuals of all kinds to their vicinity, in order to obtain security for the Europeans and all the persons working in the mines; in order also to ensure peace and tranquillity and to prevent complications, the Syndicat du Yunnan, Limited, may, on giving notice to the local authorities, recruit near its mines native soldiers, who shall be placed under the command of an officer chosen for that purpose, who shall reside, with his men, near the workings.

If it should become necessary, for the maintenance of order, to reinforce this body, the High Authorities will send regular troops to the spot, but the Syndicate may not cause European troops to enter the Province on any pretext whatever.

ARTICLE XIX.—When the engineers and their staff come to Yunnan to prospect the mineral deposits and to proceed to work them, the Syndicate must inform the local authorities in advance of their arrival and movements, in order that they may be able to give them the escorts necessary to ensure their security. In case the precaution should be omitted, and incidents should arise, the Provincial Authorities decline to take any responsibility.

ARTICLE XX.—The maintenance as well as the salaries of provincial agents who shall be detached to the mine shall be paid by the Syndicate.

The Syndicate shall also, according to circumstances, allot gratuities to the escorts of engineers who shall proceed to prospect for mines.

ARTICLE XXI.—The present Convention is agreed on for a period of sixty years from the date of its signature. At the expiration of this period the mines which have been worked, whether old or new and whether prosperous or otherwise, as well as the land,

houses, working material, railroads, roads, canals, etc. . . . belonging to the Syndicate will be handed over to the High Authorities of Yunnan free of cost, by the Syndicate's agents.

However, if at the end of the above-mentioned period the workings are prosperous, and if the Syndicate wishes to continue them, China will grant an extension. This extension will be for a period of not more than twenty-five years.

ARTICLE XXII.—Since the Province of Yunnan is an integral part of the Empire, the Syndicate undertakes in case of war with any State, to act in conformity with the wishes of China and to lend no assistance to the enemy.

ARTICLE XXIII.—The present Convention, after having been submitted by the Ministry for Foreign Affairs, for the ratification of the Chinese Government, and after having been signed will become a legal concession.

ARTICLE XXIV.—The present Convention is drawn in six originals: three in the Chinese and three in the French language. In case of divergence of interpretation, the French text shall rule.

Signed at Peking, the twenty-first of June, nineteen hundred and two, the sixteenth day of the fifth moon, in the twenty-eighth year of the reign of the Emperor Kwang-Su.

The above Convention was, on the tenth day of the 5th moon of the 28th year of Kwang-Su (15 June 1902), the object of a report addressed to the Throne by the Ministry for Foreign Affairs, which has been furnished with the following Imperial ratification—

"Approved. By Imperial Order."

NUMBER 1911/11.

JAPAN AND CHINA.

Convention relating to railway connections at Antung.—November 2, 1911.*

In effecting through train service across the national boundaries between the Antung-Mukden Railway and the Korean Railway, the Governments of Japan and China have appointed their respective commissioners and have agreed upon the following clauses:

1.—The Governments of Japan and China consent, in the interest of world communications, to direct connection of trains on the boundary between the two countries.

2.—For the purpose of through train service over the two railways, the centre of the Yalu iron bridge shall be regarded as the dividing line between the two countries, the western portion being the Chinese boundary and the eastern portion the Japanese.

3.—When a train crosses the national boundary, the locomotive shall be changed. Locomotives used on the Korean Railway shall not proceed westward beyond the Antung-hsien station; and locomotives used on the Antung-Mukden Railway shall not proceed eastward beyond the Shingishu (Hsin Wiju) station.

4.—With reference to trains coming from either country, those entering

* Translation from the Japanese text as published in the Japanese *Official Gazette,* November 15, 1911. Another translation, together with the Chinese text, is printed in *Customs,* vol. II, p. 773.

In connection with this convention, see the Memorandum concerning the reconstruction of the Antung-Mukden Railway, August 19, 1909 (No. 1909/8, *ante*); agreement concerning mines and railways in Manchuria, September 4, 1909 (No. 1909/9, *ante*); Provisional Regulations for the working of the maritime customs office at Antung, March 31, 1912 (No. 1912/5, *post*); and arrangement in regard to the reduction of customs duties on goods transported by the Antung-Mukden Railway, May 29, 1913 (No. 1913/7, *post*).

Japanese territory shall be limited to the Korean Railway lines, and those entering Chinese territory shall be limited to the lines of the South Manchuria Railway Company.

5.—When a train of either railway arrives at Antung-hsien station, China, freight, hand baggage and small goods must be unloaded at the goods inspection office and inspected by the customs officials of both countries.

However, this provision shall not be applicable to goods which the customs officials deem it unnecessary to have unloaded.

6.—The two countries shall detail their respective customs officials to conduct joint inspection at the Antung-hsien station goods inspection office, and said officials shall act in accordance with the customs regulations of their respective countries and detailed rules determined by themselves. Goods imported into China from Japanese territory shall first be inspected by Japanese customs officials and then by Chinese customs officials; while goods imported into Japan from Chinese territory shall first be inspected by Chinese customs officials and then by Japanese customs officials.

(a) Hand baggage carried by, or small goods belonging to, passengers leaving or arriving at the Antung-hsien station shall be inspected at the Antung-hsien station.

(b) Hand baggage carried by, or small goods belonging to, passengers passing through Antung-hsien station shall be inspected in the train while it is stopping.

When inspection is not completed before the train leaves, customs officials shall, according to their convenience, continue inspection on the train while in motion, or shall have hand baggage carried by, or small goods belonging to, passengers unloaded at the goods inspection office and inspected there.

(c) When customs officials in the course of inspection in accordance with the two preceding paragraphs discover dutiable articles, the duties shall be collected directly from the passengers owning such articles.

(d) Hand baggage or small goods entrusted for shipment shall be brought to the goods inspection station for inspection.

(e) With reference to small goods and freight leaving or arriving at the Antung-hsien station, the consignors or consignees shall attend to their passage through the customs and any other formalities.

(f) With reference to freight and small goods passing through the Antung-hsien station, employees of the South Manchuria Railway Company shall attend to the procedure of passing them through the customs on behalf of the consignors or consignees, and shall have them inspected in the presence of the customs officials; and the customs duties on dutiable articles shall be advanced by the company.

(g) The South Manchuria Railway Company and the Railway Bureau of the Government General of Chosen, in order to enable customs officials to conduct inspection on the train, shall issue to such customs officials permanent free passes for both railways.

7.—Trains crossing the boundary between the two countries may not carry troops.

This provision shall not apply to troops whose stationing has been permitted by treaty, provided, however, that notice must be given prior to their crossing the national boundary.

8.—Koreans who have heretofore resided in China shall be dealt with in accordance with usage; other Koreans not possessing passports may not travel in the interior of China beyond the limits of train journeys.

9.—When trains of the two railways cross the national boundary, it is necessarily expected that the freight charges on similar goods both for export and for import shall be equal.

10.—Since, in accordance with treaty, the Antung-Mukden Railway is to be purchased by the Chinese Government after fifteen years, the present convention shall be applicable to said railway only prior to such purchase; and after the purchase the two Governments shall agree upon separate regulations relative to through train service.

IN WITNESS WHEREOF, the commissioners of the two countries have signed and sealed the present convention in duplicate in the Japanese and Chinese languages.

Second day of the 11th month of the 44th year of Meiji (November 2, 1911), corresponding to the 12th day of the 9th moon of the 3rd year of Hsuan Tung.

CHOZO KOIKE,
Consul-General of the Empire of Japan.

GOMPEI OYA,
Director of Railway Bureau of Government-General of Chosen.

SHIMBEI OKAZAWA,
Vice-President of the South Manchuria Railway Company, Limited.

KYUSABURO YANO,
Director of Customs of the Government-General of Chosen.

SEIJIRO TANAKA,
Director of the South Manchuria Railway Company, Limited.

HSÜ TING LIN,
Commissioner of Foreign Affairs at Mukden of the Empire of China.

YÜAN YI HO,
Secretary of the Department of Communications of the Empire of China.

MASAKI TACHIBANA,
Representing the Inspector-General of Customs of the Empire of China.

T. D. MOORHEAD,
Representing the Inspector-General of Customs of the Empire of China.

NUMBER 1911/12.

MEXICO AND CHINA.

Convention for the payment of an indemnity for injuries to Chinese subjects.—December 16, 1911.*

Chang Ying Tang, Envoy Extraordinary and Minister Plenipotentiary of the Chinese Empire to the United States of Mexico, and Manuel Calero, Secretary of State of the United States of Mexico, have agreed to sign, in behalf of their respective governments, the following protocol:

Considering: That several Chinese subjects have suffered, within Mexican territory, damages in their persons and property, in some cases in cruel and inhuman form, acts which the Government of the United States of Mexico considers contrary to the sentiments of friendship and amity which should be held for all men and especially for those who are subjects of a friendly nation and for which it has expressed its sorrow to the Government of the Chinese Empire;

Considering: That the Government of the United States of Mexico, while it maintains the principle that the nation neither is nor can be responsible for the acts of rebels or riotous mobs, except in the exceptional cases prescribed by international law, which the Government of the United States of Mexico does not consider to include the happenings alluded to in the preceding paragraph, is ready, however, voluntarily and as an act of grace, to indemnify the injured Chinese subjects to the extent provided by the present convention, and with the understanding that this act of grace shall not be considered as establishing a precedent;

Considering: That the Chinese Government concurs in the friendly spirit which animates the Mexican Government, it being the wish of both governments to prevent, by a friendly agreement, all discussion or controversy which might arise out of the occurrences mentioned in the preceding considerations:

Have agreed upon the following articles:

ARTICLE I.—The Mexican Government shall deliver to the Chinese Government the sum of Three Million One Hundred Thousand Pesos ($3,100,000.00) in Mexican coin of the weight and fineness which are actually in use.

ARTICLE II.—The sum mentioned in the preceding article shall be received by the diplomatic representative of the Chinese Government duly accredited at Mexico, or by some other agent of said government who shall produce his authority, and the delivery shall be made in the city of Mexico on or before the first day of July, one thousand nine hundred and twelve.

ARTICLE III.—It is the express intention of both governments that as a

* Translation, as printed in *Am. Int. Law Journal, Supplement,* 1914, p. 147, from the Spanish text as printed in the *Boletin oficial de la Secretaria de Relaciones Exteriores,* Mexico, February, 1913, p. 118.

consequence of the delivery of the sum to which this convention refers, neither the Chinese Government nor its subjects shall be entitled to make any claim whatsoever against the Mexican Government or Mexican citizens for damages to property, bodily harm or loss of lives directly or indirectly suffered by Chinese subjects within the Mexican Republic during the revolution of 1910, or as a result of it, and within the period of time from the 20th of November, 1910, to the date of the present convention. Any claim already formulated or presented by Chinese subjects on account of the aforesaid revolution, shall terminate *ipso jure* by virtue of the provisions of the present clause.

ARTICLE IV.—The present convention shall be submitted to the ratification prescribed by the laws of both countries, and the exchange of ratifications shall take place at the Mexican Embassy in the City of Washington, United States of America, at the latest on the 15th day of June, 1912.

In faith whereof, we, the respective Plenipotentiaries, have signed the present convention in the Spanish, Chinese and English languages, and affixed thereto our seals. In case of doubt as to the meaning of any expression or sentence in this convention, the English text shall be decisive.

Done in duplicate in the City of Mexico, this 16th day of December, one thousand nine hundred and eleven.

(L. S.) MANUEL CALERO.
(L. S.) CHANG YING TANG.

Additional protocol signed at Mexico City December 13, 1912; ratifications exchanged January 29, 1913.

The Constitutional President of the United States of Mexico and the Government of China, taking into consideration that the dates fixed in the protocol signed in the City of Mexico on the 16th day of December, 1911, have passed without the exchange of the instruments of ratification of said convention or the payment of the voluntary and gratuitous indemnity which the Mexican Government promised to pay to the Chinese Government for the damages and injury to property, bodily harm and loss of lives suffered by the Chinese residents in the Mexican Republic during the revolution which took place in its territory in the year one thousand nine hundred and ten or as a consequence of it, have agreed to modify the said convention with an additional protocol, and for that purpose have appointed as their plenipotentiaries, that is to say:

The Constitutional President of the United States of Mexico: Señor Licentiate Don Julio Garcia, Subsecretary in Charge of the Office for Foreign Affairs; and

The Chinese Government: Woo Chung Yen, its Chargé d'Affaires ad interim to the Mexican Government;

Who, after having communicated to each other their full powers, found in due and good form, agreed upon the following articles.

ARTICLE I.—The Government of the United States of Mexico and the Government of China, agree to extend the dates fixed in Articles II and IV of the protocol signed by their respective plenipotentiaries in the City of Mexico on the

16th day of December, one thousand nine hundred and eleven, for the payment of the voluntary and gratuitous indemnity which the Government of Mexico shall pay to the Government of China for the reasons above mentioned, fixing for the first purpose, the 15th day of February, one thousand nine hundred and thirteen, and for the second, the thirty-first day of January of the same year. In consequence, the articles referred to will read as follows:

ARTICLE II.—The sum mentioned in the preceding article shall be received by the diplomatic representative of the Chinese Government duly accredited at Mexico, or by some other agent of said government who shall produce his authority, and the delivery shall be made in the City of Mexico on or before the fifteenth day of February, one thousand nine hundred and thirteen.

ARTICLE IV.—The ratifications of this convention shall be exchanged at the Mexican Embassy in the City of Washington, United States of America, at the latest on the thirty-first of January, one thousand nine hundred and thirteen.

In faith whereof, the said plenipotentiaries have signed the present protocol in duplicate and affixed thereto their seals in the City of Mexico, this thirteenth day of December, one thousand nine hundred and twelve.

(L. S.) JULIO GARCIA.
(L. S.) WOO CHUNG YEN.

NUMBER 1911/13.

RUSSIA AND CHINA.

Treaty fixing the national boundary between Russia and China, from Tarbaga Dagh to Abahaitu, and along the Argun River to its confluence with the Amur River.—December 20, 1911.*

In view of the age-long and friendly relations between the Russian and Chinese Empires, and with the aim of eliminating frontier disputes, the Govern-

* Translation from the Russian text as printed in *Izviestia,* 1913, vol. III, p. 65.

In *Izviestia,* 1912, vol. II, p. 110, is printed an exchange of notes in regard to this treaty, of which the substance is contained in the following translation of the note from the Wai Wu Pu to the Russian Legation, under date of December 7/20, 1911:

"I had the honor to receive your communication, Monsieur le Chargé d'Affaires, in which you stated:

"'I had the honor to receive the memorandum of your esteemed ministry, under date of November 28 of this year, regarding the telegram of the Heilungkiang Governor about the signature in Tsitsikhar of the agreement, confided to the commissioners of the two sides, relating to the land and water frontier. Similar notice was simultaneously received from the Russian commissioner also.

"'In the text of the acts of agreement signed at Tsitsikhar no further formalities are anticipated for the confirmation of these acts. In consequence of this, the Imperial Government considers that the question of the present agreement has been settled finally on the spot and there only remains to erect the boundary marks provided for in the agreement.'

"The ministry confided to my charge, fully sharing the above stated point of view, has not failed to furnish the Governor of the Heilungkiang Province with instructions by telegraph, which I bring to your knowledge, Monsieur le Chargé d'Affaires, in reply to your communication."

ments of His Majesty the Emperor of all the Russias and His Majesty the Emperor of China have now appointed their commissioners: on the Russian side, Commissioner by Imperial Command Major General Putiloff, and on the Chinese side by Imperial Command Governor Chow of Heilungkiang Province, Mandarin for the joint inspection of the frontier between Russia and China; who being duly provided with credentials which were found in due and legal form, in the name of their Governments, by mutual agreement, concluded the present treaty act as follows:

(1) The Land Frontier between the Russian and Chinese Empires on the section between Frontier Post No. 58, Tarbaga Dagh, and Post No. 63, Abahaitu, shown in protocol No. 2 of the agreement concluded in Tsitsikhar on November 25, 1911 (Russian style) or the eighteenth of the tenth moon of the third year of Hsüan Tung (Chinese style), and in the maps exchanged as supplement to the same, shall in future consist of the line which passes in straight lines between the undermentioned frontier points, the nomenclature of which corresponds with the points named in the Abahaitu exchange of letters in the year 1727 (Russian style) or fifth year of Yung Chêng (Chinese style).

The line of frontier is fixed by the red line which is drawn on the above-mentioned maps exchanged, from Frontier Post No. 58 to Post No. 63, and further along the Mutnoi Protok (Muddy Stream) to the River Argun.

Frontier Points

(*a*) *Tarbaga Dagh.*—The 58th frontier point is due south from the summit of Mount Tarbaga Dagh and 6 Russian *versts* 312 *sajens* from same, or 12.64 Chinese *li* (7220.16 metres), on the steppe.

(*b*) *Tsahan-Ola.*—The 59th frontier point is northwest of the northern bank of Lake Kharanor and 7 Russian *versts* 60 *sajens* from same or 13.5 Chinese *li* (7760.8 metres), on the height.

(*c*) *Tabun-Tologoi.*—The 60th frontier point is at the frontier fortification of the beginning of the Ching Dynasty (or Jenghiz Khan's Fort), northwest of the northern bank of Lake Tsahan Nor, and 4 Russian *versts,* or 7.4 Chinese *li* (4360 metres) from same.

(*d*) *Soktu.*—The 61st frontier point is 4 Russian *versts* 450 *sajens,* or 9 Chinese *li* (5341 metres) northeast of the station building of the Chinese Eastern Railway station Manchuli, on the height, and 400 Russian *sajens* or 1.5 Chinese *li* (872 metres) south of the frontier fortification of the beginning of the Ching Dynasty (or Jenghiz Khan's Fort).

(*e*) *Erdyni Tologoi.*—The 62nd frontier point is on the northern slope of the Four-Headed Hill and is twelve Russian *versts* 400 *sajens,* or 24.4 Chinese *li* (13952 metres) southeast of the 61st frontier point Soktu.

(*f*) *Abahaitu.*—The 63rd frontier point is on the western bank of the River Dalan Ola or Mutnoi Protok, and 6 Russian *versts* 300 *sajens,* or 12.2 Chinese *li* (7194 metres) southwest of the Russian village of Abahaitu, and 3 *versts* 250 *sajens* or 6.5 *li* (3715 metres) southwest of Mount Krestovoi as it is called in Russian, or Abahaitu, in Chinese.

(2) The water frontier between the Russian and Chinese Empires from the

mouth of the River Argun, that is from the point of its confluence with the River Amur (Heilungkiang) to the 63rd frontier point (Abahaitu) to be the course of the River Argun, in accordance with the Nerchinsk treaty of 1689 (by Russian reckoning) or the 28th year of the reign of K'ang Hsi (by Chinese reckoning), and the protocols Nos. 1 and 3 of the agreement of 1911 (Russian reckoning) and 3rd year of the reign of Hsüan Tung (Chinese reckoning).

The ownership of the islands in the River Argun, in accordance with Protocols 1 and 3, has been amicably divided in the following way:

(*a*) Islands shown on the maps exchanged under numbers 1, 2, 3, 4, 5, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 23, 26, 28, 29, 32, 34, 35, 36, 38, 43, 44, 45, 46, 47, 48, 49, 51, 55, 59, 60, 61, 62, 63, 64, 65, 66, 67, 69, 70, 71, 73, 75, 76, 77, 80, 83, 84, 86, 87, 88, 90, 92, 93, 94, 101, 102, 104, 106, 107, 108, 109, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 127, 128, 129, 130, 132, 136, 137, 139, 142, 143, 146, 151, 152, 156, 157, 158, 160, 161, 162, 165, 166, 169, 170, 171, 174, 176, 177, 178, 180, 182, 193, 194, 197, 200, 202, 203, 206, 209, 211, 212, 214, 215, 216, 218, 219, 221, 223, 224, 226, 227, 228, 230, 231, 232, 235, 237, 238, 239, 243, 244, 245, 247, 248, 251, 252, 255, 256, 258, 262, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 278, 279, and 280 belong to Russia.

(*b*) Islands shown on the maps exchanged under numbers 6, 9, 10, 20, 22, 24, 25, 27, 30, 31, 33, 37, 39, 40, 41, 42, 50, 52, 53, 54, 56, 57, 58, 68, 72, 74, 78, 79, 81, 82, 85, 89, 91, 95, 96, 97, 98, 99, 100, 103, 105, 110, 121, 122, 123, 124, 125, 126, 131, 133, 134, 135, 138, 140, 141, 144, 145, 147, 148, 149, 150, 153, 154, 155, 159, 163, 164, 167, 168, 172, 173, 175, 179, 181, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 195, 196, 198, 199, 201, 204, 205, 207, 208, 210, 213, 217, 220, 222, 225, 229, 233, 234, 236, 240, 241, 242, 246, 249, 250, 253, 254, 257, 259, 260, 261, 263, 264, 265, 266, and 277 belong to China.

Further details concerning the national boundary from the 58th to 63rd frontier points, and from the mouth of the River Argun to the said 63rd frontier point, are provided in protocols of agreement Nos 1, 2, and 3, and in the maps attached and exchanged with them and the schedules of islands signed and sealed by both commissioners, which protocols, maps and schedules of islands have equal force with the present act, and have to be observed by both sides.

Done in the town of Tsitsikhar, December 7, 1911 (Russian style, *i.e.*, December 20, new style), and the first of the eleventh moon of the third year of Hsüan Tung (Chinese style), in the Russian and Chinese languages, in two copies in each language, which upon signature and apposition of seals were duly exchanged by the commissioners, so that each side might have original acts in the Russian and Chinese languages. Originals were signed and sealed by Major General Putiloff, Russian High Commissioner, appointed by Imperial Command, and Governor Chow of the Heilungkiang Province, by Imperial Command Mandarin for the delimitation of the frontier of the Ta Ch'ing Empire.

Protocol of Agreement No. 1.

Basing themselves on the reports made by the vice-presidents of the Russian and Chinese delimitation commissioners, Messrs. Jdanov and Sun, regarding the section of national river frontier from the mouth of the river Argun to the

Cossack post of Argunski and above, the presidents of the Russian and Chinese commissions, after verification decided:

The islands shown on the maps under numbers 1, 2, 3, 4, 5, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 23, 26, 28, 29, 32, 34, 35, 36, 38, 43, 44, 45, 46, 47, 48, 49, 51, 55, 59, 60, 61, 62, 63, 64, 65, 66, 67, 69, 70, 71, 73, 75, 76, 77, 80, 83, 84, 86 and 87 to be considered as belonging to Russia; and islands under numbers 6, 9, 10, 20, 22, 24, 25, 27, 30, 31, 33, 37, 39, 40, 41, 42, 50, 52, 53, 54, 56, 57, 58, 68, 72, 74, 78, 79, 81, 82, and 85, to be considered as belonging to China.

The numbers of the islands as shown on the maps certified by their seals and exchanged by the two presidents of the preliminary commissions at Manchuli Station do not correspond to the numbers in the protocols of survey by the members of the preliminary commissions, and numbers 85, 86, and 87, do not appear at all on the maps exchanged at Manchuli Station; and, moreover, these three numbers in the protocols of survey by members of both preliminary commissions also differ from the numbers of the joint survey carried out by Mr. Ousat, member of the Russian Frontier Commission, and Mr. Sun Hsiao Liang, President of the Chinese Frontier Commission. In view of these facts, the numbers are shown in a comparative schedule and a separate detailed map has been drawn showing the numbers according to this protocol of agreement; this map has been signed, sealed, and exchanged, and is joined to the protocol in order to avoid misunderstanding. The small maps exchanged at first, and the maps exchanged at Manchuli, have been handed back by both parties.

The originals were signed by Major General Putiloff, Commissioner for Russia, and by Heilungkiang Governor Chow, Mandarin for the delimitation of the Ta Ch'ing frontier.

COMPARATIVE SCHEDULE OF THE NUMERATION OF ISLANDS IN THE RIVER ARGUN FROM ITS MOUTH TO THE COSSACK POST OF ARGUNSKI AND ABOVE.

Numeration of islands fixed in the maps exchanged by commissioners.	Numbers of islands in protocols of joint survey by members of preliminary commission, Ikonnikoff and Lou Yin Tien.	Numbers of islands as per protocols of joint survey made by member of preliminary commission, Ousat, and President Sun of preliminary commission, and in maps exchanged by them.	Numbers of islands in map exchanged by presidents of preliminary commission, Jdanov and Sun.	Numeration of islands fixed in the maps exchanged by commissioners.	Numbers of islands in protocols of joint survey by members of preliminary commission, Ikonnikoff and Lou Yin Tien.	Numbers of islands as per protocols of joint survey made by member of preliminary commission, Ousat, and President Sun of preliminary commission, and in maps exchanged by them.	Numbers of islands in map exchanged by presidents of preliminary commission, Jdanov and Sun.
1	87	..	1	45	43	..	45
2	86	..	2	46	42	..	46
3	85	..	3	47	41	..	47
4	84	..	4	48	40	..	48
5	83	..	5	49	39	..	49
6	82	..	6	50	38	..	50
7	81	..	7	51	37	..	51
8	80	..	8	52	36	..	52
9	79	..	9	53	35	..	53
10	78	..	10	54	34	..	54
11	77	..	11	55	33	..	55
12	76	..	12	56	32	..	56
13	75	..	13	57	31	..	57
14	74	..	14	58	30	..	58
15	73	..	15	59	29	..	59
16	72	..	16	60	28	..	60
17	71	..	17	61	27	..	61
18	70	..	18	62	26	..	62
19	69	..	19	63	25	..	63
20	68	..	20	64	24	..	64
21	67	..	21	65	23	..	65
22	66	..	22	66	22	..	66
23	65	..	23	67	21	..	67
24	64	..	24	68	20	..	68
25	63	..	25	69	19	..	69
26	62	..	26	70	18	..	70
27	61	..	27	71	17	..	71
28	60	..	28	72	16	..	72
29	59	..	29	73	15	..	73
30	58	..	30	74	14	..	74
31	57	..	31	75	13	..	75
32	56	..	32	76	12	..	76
33	55	..	33	77	11	..	77
34	54	..	34	78	10	..	78
35	53	..	35	79	9	..	79
36	52	..	36	80	8	..	80
37	51	..	37	81	7	..	81
38	50	..	38	82	6	..	82
39	49	..	39	83	5	..	83
40	48	..	40	84	4	25	84
41	47	..	41	85	3	24	..
42	46	..	42	86	2	23	..
43	45	..	43	87	1	22	..
44	44	..	44				

The originals were signed by Major General Putiloff, Commissioner for Russia, and by Heilungkiang Governor Chow, Mandarin for the Delimitation of the Ta Ch'ing Frontier.

Protocol of Agreement No. 2.

The Russian and Chinese delimitation commissions in Tsitsikhar by mutual agreement have together recognized that the national land frontier between Russia and China on the section from frontier pillar Tarbaga Dagh, No. 58, to frontier pillar Abahaitu, No. 63, shall be the straight lines between the following points, the nomenclature of which corresponds to the frontier points fixed by treaty:

[Here follows an enumeration of the frontier points Tarbaga Dagh, Tsahan-Ola, Tabun-Tologoi, Soktu, Erdyni-Tologoi, and Abahaitu, in terms identical with those of §§ (a), (b), (c), (d), (e), and (f) of the treaty, as printed on p. 920, *ante*.]

Upon the termination of all negotiations of the two frontier commissions in Tsitsikhar, and after both presidents had signed and sealed the present protocol and had affixed the maps (likewise signed and sealed), we exchanged the same. Thereupon each side shall appoint representatives to the relative places in order to measure on the spot the directions and distances shown in this protocol of agreement and in the maps exchanged and affixed thereto, and in order to mark the frontier points; and in case the maps exchanged show discrepancies with the locality, such discrepancies are to be corrected on the spot by both representatives by mutual agreement.

In the present year there will only be erected temporary stone pillars to mark the position of the frontier, but next spring, at a time to be appointed, and after jointly ascertaining the longitude and latitude of these points, they shall be marked with frontier pillars on which shall be inscribed in Russian and Chinese the name of the frontier point and the degrees of longitude and latitude. The whole of the frontier line must be marked by digging a trench.

The additional act, which shall be jointly drawn up by the two representatives after finishing the determination of the frontier on the spot, and which shall be exchanged by them, is to be added as a document to the present protocol of agreement.

Originals were signed and sealed by Major General Putiloff, Russian High Commissioner, appointed by Imperial Command, and Governor Chow of the Heilungkiang Province, by Imperial Command Mandarin for the delimitation of the frontier of the Ta Ch'ing Empire.

Tsitsikhar, November 25, 1911 (Russian style), and the eighteenth of the tenth moon of the third year of Hsüan T'ung's reign (Chinese Calendar).

Protocol of Agreement No. 3.

Having verified the reports made by Messrs. Jdanov and Sun, the assistants to the presidents of the Russian and Chinese delimitation commissions, relative to the section of the River line national boundary from Island No. 87, shown on

the map attached to protocol of agreement No. 1, to the frontier pillar No. 63 (Abahaitu), shown on the map exchanged and attached to protocol of agreement No. 2, the presidents of the Russian and Chinese commissions have decided:

(1) In accordance with the previous treaty of 1689, or the twentieth year of K'ang Hsi, to consider the course of the River Argun as the national boundary between Russia and China from the mouth of the River Argun to frontier pillar No. 63 (Abahaitu).

(2) The islands shown on the maps exchanged under numbers 89, 91, 95, 96, 97, 98, 99, 100, 103, 105, 110, 121, 122, 123, 124, 125, 126, 131, 133, 134, 135, 138, 140, 141, 144, 145, 147, 148, 149, 150, 153, 154, 155, 159, 163, 164, 167, 168, 172, 173, 175, 179, 181, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 195, 196, 198, 199, 201, 204, 205, 207, 208, 210, 213, 217, 220, 222, 225, 229, 233, 234, 236, 240, 241, 242, 246, 249, 250, 253, 254, 257, 259, 260, 261, 263, 264, 265, 266, and 277, belong to China.

(3) The islands shown on the maps exchanged under numbers 88, 90, 92, 93, 94, 101, 102, 104, 106, 107, 108, 109, 113, 114, 116, 118, 119, 127, 128, 129, 130, 132, 136, 137, 139, 142, 143, 146, 151, 152, 156, 157, 158, 160, 161, 162, 165, 166, 169, 170, 171, 174, 176, 177, 178, 180, 182, 193, 194, 197, 200, 202, 203, 206, 209, 212, 214, 215, 216, 218, 219, 221, 223, 224, 228, 230, 231, 232, 235, 237, 238, 239, 243, 244, 245, 247, 248, 251, 252, 255, 256, 258, 262, 275, 276, and 278 belong to Russia.

(4) The islands shown on the exchanged maps under numbers 111, 112, 115, 117, 120, 211, 226, 227, 267, 268, 269, 270, 271, 272, 273, 274, 279, and 280, being islands formed between the old bed of the Argun, the former national boundary, and the present-day Argun, which in the course of time has shifted to the west, *are to remain in Russian possession.* The present course of the River Argun is to be considered as the national boundary between Russia and China.

On the banks of the old and new Argun, opposite the large islands, numbers 227, 269, 273, 279, and 280, the representatives who will be sent by both parties next spring at an agreed time shall place stone pillars on which shall be inscribed, in Russian and Chinese, the area of the islands in *versts* or *dessiatines,* the distance to the banks of the old and new Argun, as per maps exchanged and according to the position of the pillars as jointly fixed by longitude and latitude. Until this work is done, temporary signs are to be placed, as was also agreed in the case of the land frontier in protocol of Agreement No. 2.

For the remaining islands, the proof shall consist of the maps exchanged and certified by seals and signatures.

(5) For future reference there are added to this protocol maps and explanatory schedules of islands, duly signed, sealed, and exchanged by the presidents of the commissions.

Originals were signed and sealed by Major General Putiloff, Russian High Commissioner, appointed by Imperial Command, and Governor Chow of the Heilungkiang Province, by Imperial Command Mandarin for the delimitation of the frontier of the Ta Ch'ing Empire.

Tsitsikhar, November 25, 1911 (Russian style), and the eighteenth of the tenth moon of the third year of Hsüan T'ung (Chinese calendar).

Numbers as per maps exchanged by commissioners.	Numbers as per maps exchanged and protocols of preliminary commissioners.	Power to which the island belongs.	Numbers as per maps exchanged by commissioners.	Numbers as per maps exchanged and protocols of preliminary commissioners.	Power to which the island belongs.	Numbers as per maps exchanged by commissioners.	Numbers as per maps exchanged and protocols of preliminary commissioners.	Power to which the island belongs.
88	21	Russia	153	24	China	218	9	Russia
89	20	China	154	23	China	219	8	Russia
90	19	Russia	155	22	China	220	7	China
91	18	China	156	21	Russia	221	6	Russia
92	17	Russia	157	20	Russia	222	5	China
93	16	Russia	158	19	Russia	223	4	Russia
94	15	Russia	159	18	China	224	3	Russia
95	14	China	160	17	Russia	225	2	China
96	13	China	161	16	Russia	226	1	Russia
97	12	China	162	15	Russia	227	Novo-Tsuruhai-tin	Russia
98	11	China	163	14	China			
99	10	China	164	13	China	228	1	Russia
100	9	China	165	12	Russia	229	2	China
101	8	Russia	166	11	Russia	230	3	Russia
102	7	Russia	167	10	China	231	4	Russia
103	6	China	168	9	China	232	5	Russia
104	5	Russia	169	8	Russia	233	6	China
105	4	China	170	7	Russia	234	7	China
106	3	Russia	171	6	Russia	235	8	Russia
107	2	Russia	172	5	China	236	9	China
108	1	Russia	173	4	China	237	10	Russia
109	27	Russia	174	3	Russia	238	11	Russia
110	26	China	175	2	China	239	12	Russia
111	25	Russia	176	1	Russia	240	13	China
112	24	Russia	177	15	Russia	241	14	China
113	23	Russia	178	14	Russia	242	15	China
114	22	Russia	179	13	China	243	16	Russia
115	21	Russia	180	12	Russia	244	17	Russia
116	20	Russia	181	11	China	245	18	Russia
117	19	Russia	182	10	Russia	246	19	China
118	18	Russia	183	9	China	247	20	Russia
119	17	Russia	184	8	China	248	21	Russia
120	16	Russia	185	7	China	249	22	China
121	15	China	186	6	China	250	23	China
122	14	China	187	5	China	251	24	Russia
123	13	China	188	4	China	252	25	Russia
124	12	China	189	3	China	253	26	China
125	11	China	190	2	China	254	27	China
126	10	China	191	1	China	255	28	Russia
127	9	Russia	192	19	China	256	5	Russia
128	8	Russia	193	18	Russia	257	4	China
129	7	Russia	194	17	Russia	258	3	Russia
130	6	Russia	195	16	China	259	2	China
131	5	China	196	15	China	260	1	China
132	4	Russia	197	14	Russia	261	..	China
133	3	China	198	13	China	262	..	Russia
134	2	China	199	12	China	263	..	China
135	1	China	200	11	Russia	264	..	China
136	41	Russia	201	10	China	265	..	China
137	40	Russia	202	9	Russia	266	3	China
138	39	China	203	8	Russia	267	2	Russia
139	38	Russia	204	7	China	268	1	Russia
140	37	China	205	6	China	269	Mungalovski	Russia
141	36	China	206	5	Russia	270	..	Russia
142	35	Russia	207	4	China	271	..	Russia
143	34	Russia	208	3	China	272	..	Russia
144	33	China	209	2	Russia	273	Reldjinski	Russia
145	32	China	210	1	China	274	..	Russia
146	31	Russia	211	Zorgol	Russia	275	..	Russia
147	30	China	212	15	Russia	276	..	Russia
148	29	China	213	14	China	277	..	China
149	28	China	214	13	Russia	278	..	Russia
150	27	China	215	12	Russia	279	Menkoseli	Russia
151	26	Russia	216	11	Russia	280	Abahaituevski	Russia
152	25	Russia	217	10	China			

Original signed and sealed by Major General Putiloff, Russian High Commissioner, appointed by Imperial Command, and Governor Chow of the Heilungkiang Province, by Imperial Command Mandarin for the delimitation of the frontier of the Ta Ch'ing Empire.

Tsitsikhar, November 25, 1911 (Russian style) and eighteenth of the tenth moon of the third year of Hsüan T'ung (Chinese Calendar).

NUMBER 1911/14.

FRANCE AND THE UNITED STATES.

Exchange of notes for the reciprocal protection of copyrights in China.—December 27, 1911.*

The French Chargé d'Affaires to the American Minister at Peking.

[*Translation.*]

Legation of the French Republic in China,
Peking, December 26, 1911.

Mr. Minister,

Our Governments being desirous of assuring to French and American citizens and subjects reciprocal protection in China of the rights of authors over their literary and artistic productions to the same extent that they are protected in French and American territories and possessions, I have been instructed by the Minister for Foreign Affairs of France to communicate to you the following:

1st.—By virtue of the civil and criminal jurisdiction with which they are vested and which they exercise in China, the Consuls and Consular Courts of France are competent to take cognizance of all complaints that may be laid before them relative to the violation of the rights of authorship by persons under French jurisdiction.

2nd.—Consequently, whenever persons under American jurisdiction shall have occasion to address them in order to obtain respect from persons under French jurisdiction of their rights of authorship over their literary and artistic productions, including photographs, the complaints will henceforth be laid, in the first instance, before the Consular Court, and in appeals before the Appellate Courts at Saigon or Hanoi.

3rd.—The citizens of the possessions of the United States of America will enjoy in China the same treatment as the citizens of the United States of America.

4th.—Unauthorized reproductions by persons under French jurisdiction, made previous to the first of January next, of literary, artistic, or photographic

* In this connection, see also the exchange of notes in regard to the reciprocal protection of trademarks, October 3, 1905 (No. 1905/12, *ante*).

works executed by persons under American jurisdiction, will be withdrawn from sale or circulation in China before December thirty-first, 1912.

5th.—Literary and artistic property in France is regulated by the Law of March 28, 1887, which approves the Convention signed at Berne on September 9, 1886, for the protection of literary and artistic productions, and also by the Law of April 15, 1897, which approves the additional enactment and the declaration of May 4, 1896, modifying the Convention of Berne.

I will be under great obligation to you if you will kindly take note of the present declaration and will inform me whether persons under French jurisdiction may count on the same legal protection from the consular authorities in China of the United States of America in all that concerns the ownership of literary and artistic productions.

Accept, Mister Minister, the assurances of my high consideration.

(Signed) F. Georges Picot.

The American Minister to the French Chargé d'Affaires at Peking.

American Legation,
Peking, December 27, 1911.

Mr. Chargé d'Affaires and dear Colleague:

I have the honor to acknowledge the receipt of your note of December 26, 1911, informing me that you have been authorized by your Government to effect with me by an exchange of notes an agreement for the reciprocal protection in China of French and American copyrights for literary and artistic productions.

I have the honor to inform you in reply that I have been authorized to state that henceforth protection will be afforded in China, in accordance with the laws of the United States and on condition of reciprocity, for the copyrights of French literary, artistic, musical, or dramatic works, including photographs, duly registered in the United States, against infringement by persons under American jurisdiction. To that end the American courts in China will be competent to hear all such cases presented by citizens or subjects of France.

I have the honor further to inform you that the protection of literary and artistic property in the United States of America is provided for by the act of Congress of March 4, 1909, amending and consolidating previous acts respecting copyright (*U. S. Statutes at Large*, vol. 35, Chapter 320); and that by a Presidential proclamation of April 9, 1910, this protection is extended to works of authors or proprietors who are citizens or subjects of France.

Accept, Mr. Chargé d'Affaires and dear Colleague, the renewed assurances of my high consideration.

(Signed) W. J. Calhoun.

Mr. Fr. Georges Picot,
Chargé d'Affaires,
The Legation of France,
etc., etc., etc.

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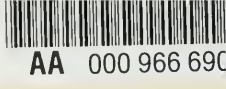
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